



Report of the Central Wage Board for the Cement Industry

M.R. Meher-Chairman

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CHAPTER I

INTRODUCTORY

Appointment of the Central Wage Board and Terms of Reference

1.1. The Planning Commission in its Report on the First Five Year Plan made the following recommendation:

"Permanent wage boards with a tripartite composition should be set up in each State and at the Centre to deal comprehensively with all aspects of the question of wages, to initiate necessary enquiries, collect data, review the situation from time to time and take decisions regarding wage adjustment *suo motu* or on reference from parties or from the Government."

1.2. This Wage Board was appointed by the Government of India, Ministry of Labour and Employment by Resolution No. WB-6(5), dated the 2nd April 1958, which reads as follows:

"In pursuance of the recommendation contained in paragraph 25 of Chapter XXVII of the Second Five-Year Plan regarding the establishment of tripartite Wage Boards for individual industries, the Government of India have set up a Central Wage Board for the Cement Industry.

2. The composition of the Board will be as follows:—

Chairman

Shri M. R. Meher, I.C.S. (Retired).

Independent Members

- (1) Sardar Jogendra Singh, M.P.
- (2) Dr. D. T. Lakdawala.

Members Representing Employers

- (1) Shri P. K. Mistry.
- (2) Shri V. H. Dalmia.

Members Representing Workers

- (1) Shri Somnath P. Dave, M.P.
- (2) Shri I. M. Moinudeen.

3. The following will be the terms of reference of the Board:—

- (a) to determine the categories of employees (manual, clerical, supervisory, etc.) who should be brought within the scope of the proposed wage fixation;
- (b) to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages;

Explanation:

in evolving a wage structure, the Board should in addition to the considerations relating to fair wages, also take into account:—

- (i) the needs of the industry in a developing economy;
- (ii) the requirements of social justice; and
- (iii) the need for adjusting wage differentials in such a manner as to provide incentives to workers for advancing their skill;

- (c) bear in mind the desirability of extending the system of payment by results;

Explanation:

in applying the system of payment by results the Board shall keep in view the need for fixing a minimum (fall-back wage) and also to safeguard against over work and undue speed; and

- (d) to work out the principles that should govern the grant of bonus to workers in the cement industry.

4. The headquarters of the Board will be located at Bombay and all correspondence intended for the Board shall be addressed to the Chairman C/o Industrial Court, Bombay-1."

By a subsequent order Shri K. R. Wazkar, Registrar of the Industrial Court, Bombay was appointed Secretary to the Board in addition to his duties as Registrar. On 5th January 1959 Shri Somnath P. Dave, M.P. expired, and in his place the Government of India appointed Shri H. N. Trivedi on 4th February 1959.

1.3. A Questionnaire was prepared by the Board. It is at Appendix I. It was sent to the employers in the Cement Industry and to all-India Federations of Unions, *viz.* the Indian National Trade Union Congress, the All India Trade Union Congress, Hind Mazdoor Sabha, the United Trade Unions Congress, Indian National Cement Workers' Federation, the All India Cement Workers' Federation, and to individual Unions in the various cement centres. The Indian National Cement Workers' Federation has replied on behalf of the twenty-one Unions affiliated to it, and so also the All India Cement Workers' Federation replied to the Questionnaire on behalf of the Unions affiliated to it. The Questionnaire was also sent to the Government of India and the State Governments with a request to send replies to the Questionnaire or to such questions in the Questionnaire on which they may be in a position to express their views. The Government of India (Ministry of Commerce and Industry) replied that the Ministry had no comments to offer. The Director, Labour Bureau, Simla has replied to the Questionnaire. Some Governments replied to the Questionnaire, while the rest stated that they had no comments to offer. The list of employers, Unions, Governments and others to whom the Questionnaire was sent is given at Appendix II.

1.4. The employers and Federations of Cement Workers were requested by the Board to exchange their replies so that each party should know the other's point of view before the public hearings commenced.

1.5. The Board conducted through its Investigators family budget inquiries at most of the cement centres, ascertaining, for the purpose retail prices at the cement centres for the month in which the inquiry was made and the month preceding, and also, wherever possible, for the period January-March 1958. At the request of the cement companies they were informed in detail about the manner in which the calculations were made, and the papers relating to the calculations were made available to them for inspection except in the case of the Bagalkot Cement Co. Ltd. which did not reply to the Questionnaire till after the public hearings were over, and did not appear at the public hearings. This Company in its reply to question 29 of the Questionnaire has stated that it was not able to ascertain the cost of living of a family of 3 consumption units at Bagalkot. However the Board conducted its sample family budget inquiry and an inquiry into local prices, but this was done after the public hearings were concluded, and so naturally the papers relating to these could not be made available to the Unions and employers at the public hearing.

1.6. It was represented to us that it would be convenient to fix the public hearing at the headquarters of the Board, *viz.* Bombay. The Board fixed a date for public hearing of the Unions in Bombay on 5th January 1959. Owing to unavoidable circumstances due to the illness of Shri Somnath P. Dave and his subsequent demise on 5th January 1959 the first public hearing was postponed to 23rd February 1959 at the request of the two Federations of Cement Workers, which appeared at the hearing. As the date was not suitable to most of the Members of the Wage Board it was subsequently changed to 2nd of April 1959 and lasted till 13th April 1959. Both the Indian National Cement Workers' Federation and the All India Cement Workers' Federation argued the case of the workmen. The arguments concluded on 13th April 1959. The employers asked for six weeks' time to reply to the arguments. The next public hearing was held on 25th May 1959, on which date the employers commenced their arguments in reply. Four Associations, *viz.* the Institution of Engineers (India), Bombay Centre, the Indian Institute of Architects, Bombay, the Bombay Shareholders' Association and the Association of Indian Trade and Industry were also heard. The public hearings concluded on 4th June 1959. Thereafter the Board met on a number of occasions for deliberations and for formulating its conclusions. The Board also appointed a Sub-Committee consisting of its Members in Bombay, *viz.* the Chairman, Dr. D. T. Lakdawala, Shri P. K. Mistry and Shri H. N. Trivedi to deal with a great deal of preliminary groundwork and later for formulating proposals for the consideration of the full Board. This Sub-Committee met on 21 occasions.

1.7. The Board visited a number of cement centres after giving previous intimation to the Companies concerned and the Unions. A list of cement factories and quarries visited by the Board is given at Appendix III. At these centres the Board visited the factories and quarries, and where there were no quarries the places from which the factory obtained its raw material, *e.g.* in the case of Shree Digvijay Cement Factory at Sikka, the island from which it obtained calcareous sand as raw material. At the various places visited representatives of the local Unions were informally heard in the presence of employers' representatives on the points raised in the Questionnaire and on any local problems and features which the Unions desired to bring to the notice of the Board and which related to the matters under inquiry by the Board. The local employers' representatives were also heard in reply. The following cement centres were visited by the Board in the order stated: Sawai Madhopur, Lakheri, Kymore, Churk, Dalmianagar, Benjari, Japla, Sindri, Chaibasa, Rajgangpur, Madukkarai, Kottayam, Talaiyuthu, Dalmiapuram, Sikka, Dwarka and Sevalia.

CHAPTER II

CEMENT INDUSTRY IN INDIA

2.1. Manufacture of Portland cement in India began in 1904 with the establishment of a small factory in Madras State. The venture was not successful and the project failed. Nine years later a small factory was started at Porbandar (which still exists), and soon after factories were built at Lakhari and Katni. The impetus provided by war conditions enabled these new ventures to be successful. It also encouraged seven more factories to come into existence between 1919 and 1924. In 1920, the production of cement was 91,253 tons and imports were of the order of 1,50,000 tons. By 1930, the output increased to 5,64,000 tons. In the process, there was a crisis in the Industry, and three of the concerns went into liquidation. The Government of India had to ask the Tariff Board in 1925 to inquire into the difficulties of the Industry. The Board emphasised, among other things, the necessity for co-operation among the manufacturing units. Accordingly, in that year the Indian Cement Manufacturers' Association was formed. In 1927 was formed the Concrete Association of India to popularise the use of cement by giving free advice to consumers. In 1930 the Cement Marketing Company of India was formed to take over the distribution and sale of the output of the member companies. These steps went a long way in stabilising the Industry. In 1936, the four major manufacturers of cement, *viz.* Killick Nixon and Co., F. E. Dinshaw Ltd., Tata Sons Ltd., and Mulraj Khatau & Sons Ltd., managing ten of the eleven factories, merged into the Associated Cement Companies Ltd. At that time, the total annual production of cement in India was 9.84 lac tons, of which the Associated Cement Companies produced 9.10 lac tons. In the same year, the Dalmia group began to build factories. There has, since then, been a steady expansion of the industry due to the efforts of the Associated Cement Companies, the Dalmia and Jain groups and other new entrants in the Industry.

2.2. Cement is the best building material and can be moulded and hardened into shape as required. It has the property of increasing in strength with age and is thus superior to other constructional materials. There is little likelihood of its being replaced as a building material.* In the Second Five Year Plan it is stated, "Cement ranks next in importance to iron and steel as a developmental commodity and hence a high place has to be given to it in the scheme of priority. The country has embarked on a large programme of harnessing rivers for irrigation purposes, and for hydro-electric power, of building steel plants, highways, machine building plants, etc. All these require cement and steel." The process of manufacture of cement may be divided into three stages. In the first stage, a calcareous material (mainly limestone) of a certain specification and if necessary, an argillaceous material (usually clay) are crushed and ground and mixed in carefully determined proportions, so as to secure that the mechanical mixture of materials should be in as intimate and fine a condition as possible. In the second stage, the mixture is burnt in a rotary kiln which reaches a temperature of about 1400° Centigrade. The product is known as clinker and passed out at the lower end of the kiln. The third stage of the manufacture is the grinding of the clinker along with a little gypsum to a fine powder. There are two methods of manufacturing cement, the wet and the dry. In India the wet process is generally used. In the wet process the finely ground raw materials are brought to the condition of a fluid paste with the addition of water, after which they are processed through the kiln for the necessary roasting. The wet process requires more fuel than the dry process, but the blending and homogenising of the ingredients has been generally considered to be easier and cheaper than in the dry process. Recently however on account of technical advances in blending and homogenising of dry materials, the dry process appears to be gaining ground. Whatever process is employed, the final product must conform to exacting chemical and physical specifications for being marketed as 'Portland Cement'. The main process of manufacturing cement utilises machinery to a large extent but appears to be simple, as outlined above. However, close supervision is essential if quality and efficiency of production are to be maintained at a high level. Generally in India quarries have been worked manually, but in recent years there has been a certain amount of mechanisation. Even so the number of unskilled workers employed in the Indian Cement Industry is large.

2.3. We have referred above to limestone as the principal raw material. In most cases Companies have their own limestone quarries. In very few cases the ownership of limestone quarries is separated from that of the cement factory and on this point we shall have more to say later. At the factories at Sikka (belonging to Shree Digvijay Cement Co. Ltd.), Dwarka (belonging to the Associated

*In an Article in the 'Times of India' dated 29th June 1957 on the Cement Industry in India by Dr. R. R. Hattiangadi, Technical Director, Cement Agencies (Private) Ltd., Managing Agents of the Associated Cement Cos. Ltd., he has stated, "Now and again one reads about a cheap substitute for cement, but in most cases, it is an adulterated non-specification product or a fake."

Cement Companies Ltd.) and Kottayam (belonging to the Travancore Cements Ltd.) the source of calcareous material is not limestone but sea shells or sand produced from sea shells (marl) by the weathering processes of nature. The factory at Sindri (belonging to the Associated Cement Companies Ltd.) uses as raw material, instead of limestone, the sludge from the Sindri Fertilisers Factory, for which it has to make payment at a certain rate.

2.4. The production of cement since Independence has been as follows:

Year*	Number of factories	Production in
		tons
(in thousands)		
1947	18	1,447.2
1948	18	1,552.8
1949	21	2,102.4
1950	21	2,612.4
1951	22	3,195.6
1952	23	3,537.6
1953	24	3,780.0
1954	25	4,398.0
1955	27	4,486.0
1956	28	4,928.4
1957	28	5,601.6
1958	32	6,068.4

That the progress of the Industry has been rapid is also shown by the following figures: **

(Index of Industrial Production in 1951 = 100) :

December 1957	
Cotton Textiles	114.2
Iron and Steel	121.1
Jute	126.0
Paper	176.0
Sugar	204.2
Cement	216.3

Since †1957 new factories have been started at Mancherial and Panyam in Andhra Pradesh and Satna in Madhya Pradesh. Of the existing factories 14 belong to the Associated Cement Companies, representing nearly 50 per cent. of the total production of cement in India, 4 to the Sahu-Jain group representing about 20 per cent. of the production, and the rest to others, including the Dalmia group. The factory at Churk is owned and run by the U.P. Government and the factory at Bhadravati by the Mysore Government.

2.5. The Second Five-Year Plan for the period ending 1961 has set the target of cement production at 16 million tons, and a number of new schemes have been sanctioned by the Government. However, due to production having presently outstripped demand Government have, as recommended by the producers, postponed implementation of these schemes by not sanctioning the necessary foreign exchange.

2.6. Cement is a capital intensive industry and the labour costs form a smaller proportion of the total costs than in a number of other major industries. It may here be noted, however, that cement like the steel industry, uses coal in the process itself, and in many cases also for generation of power, and consequently the coal cost plays an important role in the total cost of production of cement. The following figures given by the Tariff Commission in its latest Report on the Revision of Fair Prices Payable to Cement Producers show the proportion of wage costs and other costs to the total works cost of neat cement:

*Monthly Statistics of the production of selected industries of India, published by Cabinet Secretariat, Directorate of Industrial Statistics, Calcutta.

**Reserve Bank of India Bulletin, May 1958, p. 598.

†Note: Dr. R. R. Hattiangadi, in the Article on the Cement Industry in India, referred to in the footnote on page 6 stated that the capital cost of putting up a cement factory in 1957 is nearly Rs. 140/-/50 per ton and the trend continues to be upward.

TARIFF COMMISSION'S REPORT

(APPENDIX VIII)

Statement showing the Actual works cost per ton of cement ascertained for one complete year during 1956-57 for the various units

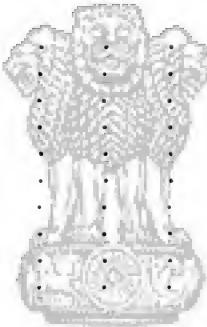
Name of Company	A.C.C.	Andhra Ce- ment	Asho- ka	Bagal- kot	Dalmia Bharat	Dalmia Digvi- jay	India Ceme- nits	Jaipur Udyog	Kalyan- pur	Mysore Iron	Orissa Cement	Rohitas	Sone- valley	Travan- core	U.P. Ceme- nits	Factory 1956	Weight- ed average			
Year Ended	31-7- 1957	31-12- 1956- 1957 (8 months)	31-12- 1956	31-12- 1956	31-12- 1956	31-3- 1957	31-12- 1956	31-3- 1957	31-12- 1956	31-12- 1957	31-10- 1956	31-12- 1956	31-12- 1956	31-12- 1956	31-12- 1957	31-3- 1957				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18			
Production Lakh Tons	•	•	•	29.15	1.17	0.59	0.81	2.64	0.64	2.49	1.56	2.48	0.36	0.79	1.95	3.32	1.75	0.54	2.01	52.25
1. Raw Materials	•	•	•	8.61	15.27	19.15	7.62	6.56	7.19	9.35	10.17	12.19	9.02	13.25	9.37	17.86	14.16	10.91	10.15	9.95
2. Power and Fuel	•	•	•	15.06	14.76	16.67	24.38	14.43	16.43	17.76	17.36	15.28	15.04	116.52	12.72	10.74	15.43	18.93	12.97	15.04
3. Labour and Establishment	•	•	•	5.53	7.48	4.91	3.57	3.70	8.71	4.78	3.75	5.74	13.12	4.00	4.39	4.65	9.87	4.58	4.43	5.43
4. Repairs and Stores	•	•	•	3.31	5.59	4.10	3.74	5.31	6.00	5.16	3.64	3.82	7.50	6.88	5.27	4.01	4.42	9.09	6.46	4.05
5. Depreciation	•	•	•	5.72	3.97	17.84	12.70	2.92	1.06	7.21	5.43	9.58	3.27	4.03	5.55	2.32	3.17	8.09	18.81	6.15
6. Overheads, etc.	•	•	•	2.87	3.01	5.34	2.62	3.83	3.56	2.22	3.23	2.42	5.15	4.29	1.74	1.17	2.76	6.86	2.34	2.82
7. Packing (other than cost of gunny bags)	•	•	•	0.63	0.82	2.05	0.68	0.72	0.61	1.04	1.12	0.90	0.79	0.48	1.12	0.51	1.31	1.45	0.52	0.74
8. Contingencies,*	•	•	•	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL WORKS COST OF NEAT CEMENT	41.73	50.90	70.06	55.31	37.47	43.56	47.52	44.70	49.93	53.89	49.45	40.16	41.26	51.12	59.91	55.68	44.18			

*Does not arise for the actuals.

It may however, be noted that the figures given under "Raw Materials" include labour charges at quarries. Therefore, if quarry labour is taken into account, the proportion of labour costs in the Cement Industry is not as small as the above figures seem to indicate. There are some high cost and some low cost units and Government has taken this into consideration in fixing the ex-works price of naked cement for each unit.

2.7. The selling price and distribution of cement has been under the control of Government since long. The distribution of cement is regulated through a system of regionwise allocations and the issue of authorisation to Government and industrial consumers. Recently, State Governments have relaxed distribution control to a large extent by permitting free sale by the cement stockists. With effect from 1st June 1956 the Government of India introduced State trading in cement by the Cement Control Order. By this order, cement producers are required to sell their entire production to the State Trading Corporation of India (Private) Ltd. at notified prices. The distribution of cement in the country is entrusted to this Corporation. The price of naked cement paid to the manufacturers is controlled by Government. The production cost of each factory is examined by the Tariff Commission and the selling price is fixed after making allowance for a margin of profit. The Government of India, Ministry of Commerce and Industry, by its Resolution No. Com.-8(5)/58, dated 30th June 1958, on the recommendations of the Tariff Commission, fixed the fair ex-works prices of naked (unbagged) cement as follows:

	Rs. per ton.
(i) A.C.C.	58.00
(ii) Andhra Cement	65.00
(iii) Ashoka	65.00
(iv) Bagalkot	62.50
(v) Dalmia Bharat	54.50
(vi) Dalmia Dadri	56.50 (later revised to Rs. 58).
(vii) Digvijay	56.50
(viii) India Cements	60.50
(ix) Jaipur Udyog	57.00
(x) Kalyanpur	59.00
(xi) Mysore Iron	58.50
(xii) Orissa Cement	55.50
(xiii) Rohtas	54.50
(xiv) Sone Valley	59.00
(xv) Travancore Cements	80.50
(xvi) U. P. Government Factory	57.00



The price for the new factory at Satna was subsequently fixed at Rs. 60 and later increased to Rs. 62 per ton. These prices are in force from 1st July 1958 to 30th June 1961 except in the case of Dalmia Cement (Bharat) Ltd., the price in respect of which, we understand, is under re-examination and may be revised in the near future. The f.o.r. destination price of cement is to continue to be Rs. 117.50 per ton.

2.8. In fixing retention prices, the Tariff Commission allowed return on capital employed at 12 per cent. to nine low cost units, at 10 per cent. to four high cost units, at 8 per cent. to Travancore Cements Ltd. (whose cost was the highest) and at 6 per cent. to the two Government owned factories because they are not liable to pay income-tax. The Commission was of the view that the gross profit arrived at on the basis of the above calculation would provide sufficient funds for each unit to meet its commitments under bonus and gratuity, interest on borrowed capital and debentures, dividend on preference shares, managing agents' commission, income-tax and wealth tax and leave a residue which would enable each of them to declare a reasonable dividend to share-holders. The Commission further stated:

"Estimates of wages for labour and establishment charges have been made on the basis of figures relating to the period investigated, and adequate provision has been made in the estimates to cover the incidence of normal annual increments prevailing in the respective units. Provision has also been made to cover known anticipated increases in the levels of wages which are likely to arise from agreements in individual units with their respective labour unions..... In the memoranda furnished by all units and during the discussions which we had with their representatives the question of providing an adequate 'contingency allowance' per ton of cement was raised to take care of (a) several small items of expected increase in costs the incidence of which, it is impossible to calculate at present and (b) imponderable situations which might arise and result in setting back production. To illustrate (a) we were informed that there was likely to be a statutory increase in the employers' contribution to Employees' Provident Fund from 6½ per cent. to 8·1/3 per cent., that

there were likely to be increases in employers' compulsory contributions to State Health Insurance Schemes from $\frac{1}{2}$ per cent. to $1\frac{1}{2}$ per cent., and from $1\frac{1}{2}$ per cent. to $3\frac{1}{2}$ per cent., that railway freight rates are expected to increase when Government takes steps to implement the recommendations of the Railway Freight Structure Enquiry Committee, that the continued and insistent demand for higher emoluments to labour would definitely result in upward revisions of wage allowances and perquisites, that the establishment of a wage board for the industry which has been accepted in principle would result in wage levels being stepped up, that the impending abolition of contract labour in certain sections was likely to result in increase of costs and that the costs of stores and spares were continuously moving up. To illustrate (b) it was cited that cuts in electric power supply (which often take place in certain areas), wagon shortage for movement of coal or other raw materials (which might result in units having to adopt alternative forms of transport at increased expense) and unforeseen disturbances to the production programmes might result in lowering output and in increasing cost of production per ton of cement. On the last occasion the Commission assessed the allowance for contingencies at Rs. 1.50 per ton. We have given very careful thought to the question and feel that a sum of Rs. 2 per ton should now be added to the works cost of each unit to cover marginal increases in cost arising from any or all of the above factors."

2.9. Of late there was some falling off in the demand of cement resulting in accumulation of stocks of clinker and cement at some factories. It is, therefore, urged on behalf of the employers that one of the problems of the industry is to keep the manufacturing costs down, and manufacturing costs would go up with any marked increase in wages. It has been pointed out that though the ex-works price payable to the producers is Rs. 58.10 nP per ton (weighted average), the wholesale f.o.r. destination price to the consumer for packed cement exclusive of sales-tax and local octroi is fixed at Rs. 117.50 nP. This includes excise duty at the rate of Rs. 24 per ton. An excise duty of Rs. 5 per ton was imposed in 1954; it was raised to Rs. 20 per ton in May 1957 and finally to Rs. 24 per ton from 1st March 1958. The increase from Rs. 5 per ton to Rs. 20 per ton by the Supplementary Budget for 1957-58 was effected by the Finance Minister in order to inhibit the demand for cement which was then in excess of supply. It is therefore urged that no further increase in the consumer price of cement is possible without causing a set-back in the demand. Dalmia Cement (Bharat) Ltd. and Orissa Cement Ltd. have in their replies to the Questionnaire, stated:

"So rigorous is the control on the cement price that on the one hand the producer is paid the minimum possible, on the other hand the consumer is required to pay the very maximum. In such conditions, Industry can neither absorb the burden of an increase in the wage bill and nor can the selling price be stepped up, as it is already at the demand inhibiting level. A number of Central Government projects and projects of the State Governments requiring heavy allotments of Cement are going slow because of financial difficulties in securing the required quantities of steel. At the same time, Cement production is rapidly expanding. It has, therefore, become important to encourage public demand for cement and the need for a substantial lowering of the selling price is clearly indicated..... It has already been emphasised earlier that in view of the strict control on the price and distribution of cement and the consumer resistance which has developed as a result of the high selling price enforced by the Government of India, it would not be possible for the Industry to pay any higher wage than what is currently being paid. Any increase in the labour cost would seriously impair the economic working of the Industry and cause a set back to the programme of expansion which must be pushed through in the interest of developing the country's economy."

Similar points of view have been expressed in the replies to the Questionnaire by the Sahu-Jain group of Companies, viz., the Jaipur Udyog Ltd., Rohtas Industries Ltd., Ashoka Cement Ltd. and Sone Valley Portland Cement Co. Ltd. The Andhra Cement Co. Ltd. has stated:

"An upward revision of wages should be compensated in the retention price payable to the producer as any upward revision of consumers' price will have the tendency of further increasing the consumer resistance. It will also curtail present employment."

The Associated Cement Companies Ltd. has stated:

"Any significant rise in the existing level of wages would adversely affect the present and future level of employment through the closing down of the marginal units in industry and the absence of new units being brought into existence. Even in the remaining units, such an increase in wages would hasten the pace of mechanisation and thus correspondingly reduce the scope of employment. By and large, the existing wages reflect the contribution of labour to the production pool and

can be taken to be in adjustment with the remuneration of other factors of production, such as, management and capital. Any appreciable increase in wages unaccompanied by any corresponding increase in the contribution of labour to production would, therefore, upset this balance and through diminished returns to capital, not only adversely affect present production but seriously jeopardise future expansion."

Shree Digvijay Cement Co. Ltd., the Kalyanpur Lime and Cement Works Ltd., the Dalmia Dadri Cement Ltd. and the U.P. Government Cement Factory at Churk have, among other things, emphasised that an upward revision would induce hastening of mechanisation in the quarries and thus affect employment adversely. The Travancore Cements Ltd. have simply stated: "Any upward revision of the existing wage levels of this cement factory will be very much beyond our capacity to operate this factory".

2.10. At the public hearing before us, Shri N. Dandekar, the Managing Director of the Cement Agencies (Private) Ltd., Managing Agents of the Associated Cement Companies Ltd., aptly summarised and focussed the point of view of the employers. His submissions immediately relevant to the present context are condensed as follows:—

"When the Wage Board is asked to fix a fair wage, there is unfortunately an implication that the present wages are not fair. I do not mean to say that the standard of living is as it should be. I do not oppose attempts to improve the standard of living of workers. My aim, as one representing 50 per cent. of the industry, has been that one must do one's best to improve the standard of living of workers within the range of practicality. But all efforts to improve the standard of living are limited by the practicalities of the situation and by the national interest. If we do not bear this in mind the consequences may be disastrous and a situation which may cause a crisis in the cement industry will seriously affect the national economy. The best approach to the question must therefore be objective and non-sentimental..... I hope the Board will bear in mind the interests of the industry, of the consumer and of the country. Cement is a part of the core of the Five-Year Plan. Restriction in supply of cement means rationing of development..... The industry has to work in a strait jacket, and I submit that the capacity of the industry to pay a higher wage is precisely nil..... Moreover I submit it is not competent for the Board to disturb the statutorily fixed acquisition price of cement. It is the price that Government must pay us. Is there then any other way of meeting the wage increase? It would be fantastic if the recommendations of the Wage Board were to result in an increase in the consumer price. If the cement industry is to come out of the doldrums, the condition precedent is that nothing should be done to inhibit demand..... Do not disturb the equilibrium in a whole range of national interests. Do not cause disturbance in the prevailing rates of wages in other industries by a disproportional wage structure. What are the needs of the cement industry in a developing economy? Firstly, there should be no upheavals in the wage structure. Secondly, there should be a continuous flow of capital in the industry. Thirdly, there is and has been a great need of plough back capital."

This is forcefully and rhetorically put and we shall in another Chapter deal with the question of capacity of the industry. Before closing this Chapter we may refer to the contrary point of view of the Indian National Cement Workers' Federation which has in its reply to the questionnaire stated:

"The past history of wage adjustments or wage increases clearly show that in spite of wage increases profits in the cement industry have gone up and production has also increased. This can be seen from the Annexure "Q" annexed hereinafter regarding profits and production in cement industry. So long as the minimum wage earner has not attained the living wage, there would be no fear of any production being adversely affected. Further with the increase in purchasing power as a result of the Second Five-Year Plan, the market for cement would expand. The average annual *per capita* consumption of cement in India is 30 lbs. as compared to 740 lbs. in Sweden, 316 lbs. in Belgium, 90 lbs. in Japan. Besides the Tariff Commission takes into account the increase in wages while fixing the prices of cement just as it takes into account the increase in prices of coal etc. Therefore, there should be no fear that higher wage level will either curtail production or efficiency. On the contrary, the industry will make up for it by increased efficiency, more peaceful relations and greater productivity."

CHAPTER III

CATEGORIES OF EMPLOYEES TO BE COVERED

3.1. Our terms of reference require us to determine the categories of employees (manual, clerical, supervisory, etc.) who should be brought within the scope of the proposed wage fixation, and in this chapter we proceed to deal with this matter.

3.2. The Indian National Cement Workers' Federation has in its reply to the Questionnaire on this point simply stated that all categories of workers should be covered by the inquiry from the lowest paid to the highest paid so that the difference between them should not be out of all proportion. The All India Cement Workers' Federation has stated that all employees working at the Head Office, branches, factories and quarries should be included except certain categories of officers. Both these Federations have represented that contract labour should be included in the scope of our recommendations. The subject of contract labour we propose to deal with in a separate chapter by itself. Here it will be sufficient to say that we are of the opinion that contract labour should be included.

3.3. The Associated Cement Companies Ltd. has in its reply to the Questionnaire expressed the view that only operatives in factories and quarries should be included. Supervisory and technical staff should not be included. Staff working in the Head Offices and branches should not be included, because "(i) Most of the considerations applicable to factory labour and staff will be irrelevant in their case; and (ii) the Head Offices and branches are mainly situated in metropolitan centres, where living conditions are entirely different to those prevailing at the factory sites. The terms and conditions of service in such Head Offices and branches are in consonance with the conditions of service generally prevailing in metropolitan centres and bear no relation to the conditions governing the cement industrial worker who is the subject of this inquiry".

3.4. The Sahu Jain group of Companies have stated that the Board should fix only the minimum wage of the unskilled worker; that it would be difficult to fix differentials in wages of different categories of semi-skilled and skilled workmen. Scales of pay of workers other than the unskilled would be automatically adjusted in due course on the basis of the minimum wage of the lowest category of workers. This would also expedite the work of the Board. Employees in administrative offices and branches should not be included, nor supervisory staff, whether administrative or technical. They have further stated that quarries being a different industry with different conditions of work and subject to different statutes should not be covered by this inquiry.

3.5. Dalmia Cement (Bharat) Ltd. and Orissa Cement Ltd. have expressed the view that the inquiry should be restricted to workers in the cement factories and quarries, and at the most, the offices attached thereto. Only the minimum wage for the lowest category of workers and clerks should be fixed. More than 60 per cent. of the operatives in the cement industry are mazdoors in the lowest category. In no circumstances should the Board fix the emoluments of the supervisory and technical personnel who are a part of the management personnel and are generally highly paid persons whose salaries are fixed as a result of mutual agreements.

3.6. The Andhra Cement Co. Ltd. and Ramkrishna Cements are of the view that only unskilled workers in the factory and clerical staff within the precincts of the factory should be covered by the inquiry. Quarry workers should be excluded.

3.7. The India Cements Ltd. has expressed the view that the inquiry should not cover quarry workers as they are already governed by the Minimum Wages Act. The Head Office which is situated far away from the Works should not be included.

3.8. Shree Digvijay Cement Co. Ltd. is of the view that the inquiry should cover the lowest unskilled operatives and clerks of the lowest category employed in the factory and offices attached thereto, and in the quarries. Technical and supervisory staff should not be included. They are in a better position to bargain for their terms and conditions of employment in view of the existing overall shortage of such persons. Head Offices should not be included, as conditions governing employment in them differ widely from the conditions prevalent at the factory.

3.9. Dalmia Dadri Cement Ltd. has expressed the view that the inquiry should cover only workers employed in the factory and office attached to it. Employees of Head Offices or Offices of cement companies at other centres should not be included. Quarry workers should not be included. A similar view has been expressed by the Kalyanpur Lime and Cement Works Ltd. but it has stated that departmental quarry workers engaged by the company may be included. The Travancore Cements Ltd. has stated that workers in the factory or the quarries owned by the company should be included.

3.10. Bagalkot Cement Co. Ltd. has stated that only unskilled, semi-skilled and skilled workers should be included in the scope of the inquiry. Administrative and supervisory staff should not be included. Quarry workers should not be included as they are covered by the Minimum Wages Act.

3.11. The Director of the U.P. Government Cement Factory has stated that the inquiry should be restricted to the lowest category of industrial workers. The Mysore Iron & Steel Works has stated that employees working in the plant proper should be covered, but not employees in quarries.

3.12. The Government of Madras (Department of Industries, Labour and Co-operation) has expressed the opinion that the inquiry should cover all categories of workers including those in quarries. The Government of Orissa (Labour Department) has stated that all workers including workers of quarries engaged in the cement manufacturing process or activities ancillary to the manufacture of cement should be covered. The Government of Rajasthan (Industries Department, Labour Section) has stated that the manual, clerical, supervisory and office staff "working in the same industry" should be included. The employees of the quarries should also be included. The Government of Punjab (Labour and Employment Departments) is of the view that ordinarily wages should be fixed for the unskilled, semi-skilled and skilled workers at the factories and quarries.

3.13. The Cement Workers' Federations are in favour of the inquiry covering apprentices and learners. All the Cement Companies, with the exception of the India Cements Ltd. oppose the inclusion of apprentices and learners.

3.14. It will be convenient first to dispose of the question regarding (i) staff of Head Offices, and (ii) apprentices and learners.

3.15. We are of the view that the staff of the Head Offices and branches should not be included in the scope of our recommendations. They are situated in metropolitan centres where living conditions are different from those prevailing at the factory centres and the terms and conditions of service in such offices have to be in consonance with conditions of service in other commercial establishments in such centres and bear little relation to the conditions governing the cement industrial worker. Where there is a dispute before an Industrial Tribunal concerning the emoluments of the Head Offices it would have to be resolved after taking into consideration emoluments in other commercial establishments. No evidence has been tendered before us about the emoluments in commercial establishments in Bombay, Delhi, etc. Moreover this Wage Board has been appointed primarily for industrial workers. It may also be mentioned that in some cases the Head Office manages other industries also, as in the case of Rohtas Industries Ltd., the Associated Cement Companies Ltd., Dalmia Cement (Bharat) Ltd. and Orissa Cement Ltd.

3.16. For all these reasons we are of opinion that Head Offices and Branch Offices should not be included in the scope of our recommendations.

3.17. We are also of the view that apprentices and learners should be excluded from the scope of our recommendations. The Companies have given cogent reasons for their exclusion. We refer, for example, to the reasons given by the Associated Cement Companies Ltd. The Associated Cement Companies Ltd. has stated: "Apprentices and learners should be excluded from the scope of this inquiry as entirely different considerations from those arising in the case of employees are relevant here. Apprentices and learners are of various kinds with different backgrounds, academic or professional attainments and are only given facilities for acquiring practical training without any guarantee of employment at the end of the period. Far from the industry gaining anything from their engagement, it is put to various expenses and inconveniences for training them. We are afraid that any attempt at fixing fair wages for them would discourage the industry from taking them on for training and this would defeat the primary purpose in view". Apart from these considerations, the stipends of apprentices would have to be fixed having regard to the work for which apprentices are taken, the period of apprenticeship would have to be laid down, and a Wage Board ought not to attempt to regulate such matters.

3.18. We are of the opinion that the wage structure fixed should, in addition to factory workers, include workers at the limestone quarries and also workers at places from which calcareous sand or shells are collected or clay is excavated, and workers engaged by the Cement Companies in transporting these materials. We are also of the opinion that we should determine the wage structure for all categories of operatives and not merely the unskilled. It is true that even if we fix only the minimum wage for the unskilled, in course of time it would have effect on the wages of the semi-skilled and skilled, but when we are overhauling the wage structure of the unskilled worker, it is desirable to fix also the wage structure of the other categories of operatives, *viz.*, the semi-skilled and skilled workers, instead of leaving the field open to disputes and industrial disharmony. Besides, the burden of the new wage structure can be properly assessed if the wage structure of these other categories is also determined, and since we propose to recommend a merger of a large portion of the dearness allowance with the basic wage, we must also

determine this for other categories of operatives so that the wage structure we recommend can, as far as possible, be a harmonious and integrated one.

3.19. We are of the view that the wage structure should also be determined for the clerical and the lower grades of the technical and supervisory staff. We would refer to paragraph 32 of the Fair Wages Committee Report in which it is stated:

"In regard to the question whether statutory machinery should be provided for the determination of fair wages to all categories of employees or only some in an industry, there is a certain amount of difference of opinion. While some are in favour of the statutory determination of fair wages for all categories and occupations in an industry or centre, others would restrict it to employees below the supervisory level. The representatives of workers were in favour of determining fair wages for all categories of employees. After discussion, the Committee came to the conclusion that in the initial stages, in view of administrative and other difficulties, provision need to be made for the fixation of fair wages of only categories upto the supervisory level."

It may be mentioned, however, that the Fair Wages Committee recommended fixation of wages by "Provincial" Wage Boards, and it had not in view the fixation of a wage structure by an all-India Wage Board. There are difficulties about fixing wages for all categories of the technical and supervisory staff, as the personnel at the various factories and quarries differ in qualifications and experience as well as in the duties allotted. Besides so far as the higher categories of technical and supervisory staff are concerned, it has to be borne in mind that there is a shortage of such personnel, and by and large, their emoluments at the various factories are satisfactory, and it does not appear to be necessary to standardize them on an all-India basis.

3.20. The Workers' Representatives on this Board wanted the Board to include the workmen of the gypsum quarries within the scope of our recommendations, but we are unable to agree. Apart from the fact that sources of supply of gypsum are in most cases situated at long distances from the cement factories, gypsum forms a very small part of the raw materials required in the manufacture of cement unlike limestone and clay. Furthermore, only a small part of the country's output of gypsum is supplied to the Cement Industry, most of it going to fertiliser factories and other consumers. It would not therefore be correct to regard workmen in gypsum quarries as workmen employed in the Cement Industry.



CHAPTER IV

CONTRACT LABOUR

4.1. In the Cement Industry there is contract labour at some limestone, sand and clay quarries and for certain occupations in some factories.

4.2. Before going into the particulars of contract labour prevailing in the Cement Industry we may deal generally with the subject of contract labour. The Royal Commission on Labour observed as follows:—

“We have found it to be generally true that workmen employed by salaried managers, who are personally responsible for their workers, receive more consideration than those employed by contractors..... We believe that, whatever the merits of the system in primitive times, it is now desirable, if the management is to discharge completely the complex responsibilities laid upon it by the law and by equity, that the manager should have full control over the selection, hours of work and payment of the workers.” (Page 119).

The Bihar Labour Enquiry Committee also condemned the system of recruiting labour through contractors who, according to the Committee, “ordinarily lack the sense of moral obligation towards labour which the employers or their managers are expected to have and therefore do not often hesitate to exploit the helpless position of labour in their charge”. (Report p. 36). The Bombay Textile Labour Enquiry Committee expressed similar views and added, “If the management of the mills do not assume responsibility for such labour, there is every likelihood of its being sweated and exploited by the contractor”. The evils of the system of employing contract labour were also considered by the Labour Investigation Committee appointed by the Government of India which submitted its Report in 1946. This Committee did not advocate the total abolition of the system of employing contract labour, but drew a distinction between essential and non-essential processes in an industry and recommended that employers should not be allowed to avoid their obligations to workers by delegating essential processes, and where its existence is inevitable, contract labour should be regulated. In the case of the Jagdishwar Printing Press and their workmen (1956 L.L.J. Vol. I, p. 597) the Labour Appellate Tribunal observed:

“It is also said that no industrial dispute can arise in respect of workmen who are not the employees of the concern but employees of the contractors. It is, however, abundantly clear that one of the principal objectives of labour is to eliminate the system of contract labour, so that labour might not be exploited by reason of such a system and there have been very many references and decisions of the industrial tribunals on this subject; but as far as we know this is the first occasion on which it is said that an order directing the stoppage of contract labour to be regarded as a breach of fundamental rights and as subject outside the purview of the Industrial Disputes Act. In effect, the permanent workers of the concern who have raised this industrial dispute contend that the system of working in the concern should be altered; they maintain that it is wrong that persons working in the same premises side by side with them, may be not doing the same type of work but nevertheless doing work which is part of the business of the concern of publishing, should be employed through contractors on lower wages and with no security of service. We cannot see any violation of fundamental rights in a direction as to how workmen should be engaged and how they should be paid, for that is the essence of the question, and it is a subject which affects industrial relations.”

4.3. In the case of the Kolhapur Sugar Mills Ltd. v. the Employees (Bombay Government Gazette, Part I-L, dated 13th September 1956, p. 3292) the Labour Appellate Tribunal stated, with reference to the observations of the Royal Commission and other Committees on the subject of contract labour:

“The opinions expressed by these bodies are entitled to respect but, as we have observed, the employers must be allowed to urge anything they wish to put forward regarding the proper interpretation of these reports, their applicability to the facts of the present case and so on, and these arguments must be considered by the Court..... The Industrial Court’s test as to when it becomes necessary to allow employment of contract labour based on whether the operations are essential or not, is open to obvious objection. It is a test which cannot be supported without qualification. The true test should be based on the sum total of the relevant circumstances, principal among which would be the casual or intermittent character of the work, the location of the work, the remoteness or difficulty of the terrain, the difficulty of

supervising work in distant places or the necessity of contract labour in certain operations, as where distant lands have to be ploughed or trimmed or otherwise worked upon. These are merely instances and do not exhaust the subject. But each claim must be adequately considered by the Industrial Court before giving a decision. It may well be that the Industrial Court while allowing contract labour may insist upon particular safeguards or may require that the workmen involved should not receive less than a certain wage, but these are matters for the Industrial Court to adjudge."

It may, however, be noted that this decision is under Appeal before the Supreme Court.

4.4. We now proceed to consider contract labour with particular reference to the Cement Industry. The Industrial Committee on Cement, at its second session held at Hyderabad in 1954, which was presided over by the Deputy Labour Minister, Government of India, and later by the Secretary to the Ministry of Labour, dealt *inter alia*, with the question of contract labour. This Tripartite Committee took the far reaching decision to abolish contract labour in all occupations connected with the manufacturing process, including quarrying operations, by June 1956. However, in the case of contract labour employed in loading and unloading operations the Committee appointed a Sub-Committee to examine, *inter alia*, the feasibility of abolishing of such contract labour. Construction work and purely temporary work not connected with the manufacturing process were excluded from the decision of the Committee to abolish contract labour. The Sub-Committee made studies on the subject of contract labour engaged at factories in the loading and unloading of cement, gypsum, bauxite, clay, sand, gunny bags and stores materials and the Sub-Committee observed, "The loaded wagons and empties arrive unpunctually and in varying numbers. Some days there might be empties twice the number required and some days there might be no empties at all. In certain units for one-third the number of working days there were no empties at all. The variation between the maximum and minimum is very wide. Time for arrival of empties and wagon is not at all certain. The information regarding arrival is often received only two or three hours ahead of the actual arrival. The loading and unloading time is limited to six day-light hours. There are the difficulties concerning the supply of empties and arrival of wagons. To sum up, the trouble lies mainly in uncertain and unpunctual supply of wagons and empties to cement factories". The Sub-Committee went on to observe:

"The situation is at present met by the contractor principally by his freedom to hire and fire workers at his will and partly by his local influence. He calls as many men as he needs and is able to collect them at any part of the day or night. He has a certain amount of influence which few managements can command. He gets far better work out of his labour force than a department can have from its own. The necessity for contract system lies partly in his freedom and influence and partly in better supervision. These are the reasons for which managements consider contract system more suitable for this type of work."

4.5. The Sub-Committee came to the conclusion, *inter alia*, that for the time being the following steps should be taken in respect of loading and unloading operations. Where contract labour was employed in operations which did not depend on outside agency such as railways, it should be abolished. The railways should be requested to make the supply of wagons and empties more regular. There would, however, be no reintroduction of the contract system where it was abolished. The Sub-Committee recommended that an experiment on the following lines might be carried out. A pool of casual labour might be created which should contain a sufficient number of workmen for dealing with peak operations after allowing for some amount of non-reporting and workmen would be liable to be called to duty at any time of the day or night. Payment would be made on piece rate. Work would be provided when available and there would be no payment for idle periods. It was not possible to guarantee a normal wage to workers in a casual pool. Cases of lay off would be covered by the Industrial Disputes Act and needed no special treatment. Where work was provided and the worker was not able to earn a normal wage due to no fault of his, a minimum guarantee of 2/3rd of the time wage was recommended. The guaranteed wage would, however, not be payable if the worker adopted go-slow or refused to do alternative work.

4.6. We shall now give some particulars of the working of the contract system which came to our knowledge when we visited some of the cement centres. The Associated Cement Companies Ltd. does not engage contract labour at any of its quarries. At its factory at Lakhari there are about 80 permanent and about 40 casual labourers engaged in handling coal and gypsum. Contract labourers are given the same minimum wage and other benefits given to the Company's workers, except bonus and gratuity. At the Associated Cement Companies' factory at Chaibasa about 65 workmen are engaged through contractors in loading of cement and about 25 in unloading coal. They get no bonus, provident fund or gratuity. At the Associated Cement Companies' factory at Sindri about 20 contract labourers are employed for unloading coal and gypsum.

4.7. At the factory of the Associated Cement Companies Ltd. at Dwarka, 127 men are employed through contractors for handling of material, unloading of gypsum, clay and coal and loading of cement. 49 contract labourers are employed at the clay quarry at Okhamadhi which is about 13 miles from Dwarka. The total number of contract labourers was said to be 212 of whom 145 are women. It was stated to us that the contractor is required to pay the same minimum wage as at the factory to contract labourers. They are, however, not entitled to increments, provident fund, gratuity or bonus. There is no arrangement for housing contract labour.

4.8. At the factory of the Associated Cement Companies Ltd. at Kymore we were informed that contract labour is engaged in the unloading of coal and gypsum and loading of cement. It was alleged by the Union representatives that contract labourers got a basic wage of As. 10 to 12 per day, while the Company's local representative stated that they got a minimum basic wage of Re. 1 per day. There is no arrangement for housing contract labour.

4.9. At the factory of the Associated Cement Companies Ltd. at Madukkarai we were informed that no contract labour was employed, but casual labour is employed for loading and unloading of coal and gypsum. Cement is loaded by departmental labour, but in case of heavy absenteeism the shortage is made good by casual labour. A statement filed by the Associated Cement Companies Ltd. shows that no contract labour is engaged in its factories at Surajpur, Kistna, Banmor and Porbandar.

4.10. The India Cements Ltd. does not engage contract labour. It gets its limestone mainly from the quarry of Agricultural Farms Ltd., which is at a short distance from the factory. That Company engages 120 workmen directly and the rest, about 380, through contractors. Minimum wages are paid under the Minimum Wages Act under which the wage for unskilled labour grade I is fixed at Rs. 1-8-0 and for unskilled labour grade II Rs. 1-2-0. Accordingly stone-breakers are paid a consolidated wage of Rs. 1-8-0 and persons engaged in loading, earthwork and trimming are paid a consolidated wage of Rs. 1-2-0 per day.

4.11. At the factory of the Jaipur Udyog Ltd., at Sawai Madhopur, we were informed by the representatives of the Cement Works Karmachari Sangh that contract labourers numbered between 450 and 600, while according to the Manager the number was less. According to the management contract labourers got work for 20 to 22 days in a month in the quarries. They do not get benefits of bonus, provident fund, leave and gratuity. Dust allowance which is given to the Company's workers is not given to contract labourers.

4.12. At the factory of Rohtas Industries Ltd., at Dalmianagar contract labour is engaged for unloading coal, gypsum, laterite, spare parts, stores, etc. For loading of cement there are two packing plants. On the bigger one the work is done by the Company's workmen at piece rates. On the small packer there are about 40 contract labourers. Loading of the wagon when cement bags come out of the conveyor is done by contract labour, but taking bags to the packer and filling them is done by Company's men. Underweight bags are removed from the conveyor, opened and packed with extra cement, weighed and stitched. All this is done by contract labour. It was stated to us at Dalmianagar by representatives of the management that whenever an experiment was made of departmentalising contract labour, efficiency went down.

4.13. At the quarries of the Sone Valley Portland Cement Co. Ltd. contract labour is engaged on piece-rates. The number of contract labourers was given by the management to be 1037. Out of them 200 are time rated men, viz., munshis, shot firers and trammers. The rest such as limestone loaders, helpers, hammermen, etc. are piece rated. The contractors are called 'Supply agents'. They employ 43 munshis to supervise over the workmen who number over a thousand. The supply agents are not given the power of appointing and dismissing men. This has to be done with the concurrence of the management. Supply agents fix the piece rates for gangs. At the time of our visit the rate was said to be Rs. 2-6-6 per ton at Baulia quarry and Rs. 2-1-0 per ton at other sections. If a gang loads less than the minimum workload they get proportionate amount, but the dearness allowance is never cut. The Union representatives, however, alleged that the dearness allowance is also proportionately cut. The supply agents' men do not get benefits of provident fund and gratuity. There are no quarters for contract labourers, but it was stated to us that some 150 of them have constructed quarters on the Company's land for which they pay Rs. 12 per annum to the Company as land rent. By an agreement between the Company and the Union in June 1951 the Company agreed to make efforts to abolish contract labour, but we were told by the representatives of management that it has not been practicable and that production would drop if the system of supply agents is abolished.

4.14. We now come to Shree Digvijay Cement Co. Ltd. It gets as the raw material sand from an island a few miles from the factory. At the island the Company directly employs 10 to 12 workmen who look to the operation and maintenance of trawlers, while 500 workmen are engaged through contractors. Contract labourers are given some sort of housing material at the quarry. This material is given on loan by the Company to the contractor. It was stated that contract

labour at the island get a minimum of Rs. 2 to Rs. 2-8-0 per day. There are also 60 contract labourers on the cement jetty near the factory. 40 contract labourers are engaged at the limestone quarry. 70 or 80 labourers are employed through contractors in hand packing at the factory, but it was stated on behalf of management that this work was of a temporary nature. It was alleged by the Union that some contract labour is engaged in work of a permanent nature at the mill house, cranes and workshop, but this was denied by the management.

4.15. Shri S. D. Somani, the representative of the management at the factory stated to us:

"The Company cannot conveniently engage men at the island because of the tidal difficulties on the island and shore. By difficulty I mean from Ekadesi to Chaturthi there is high tide period during which the craft can carry 180 to 190 tons in each tide, while in low tide period it can carry hardly 70 to 75 tons. Certain tides are so low that even empty craft does not float. During these tides persons will have less work to do."

4.16. The Union representative stated that the persons engaged on jetty barges used to be the Company's employees, they used to get bonus, leave with wages, etc. For the last 6 or 8 months the Company has given a contract for this to a private limited company, viz. United Shippers Ltd. which has stopped these privileges. In reply to this, the Company's representative Shri S. D. Somani stated, "United Shippers are our contractors who have their own fleet of barges and they have also been given barges belonging to the Company to be run. Formerly we had another contractor, Shaparia. They did not have sufficient craft..... We also give housing material to United Shippers' workmen."

4.17. We now come to the system of contract labour prevailing in Orissa Cement Ltd. The number of contract labourers in the factory is about 175. They handle coal, unload coal from wagons, do work of stitching and branding bags, etc. The contract labourers at the quarries number about 1,103. Male workers drill holes, break stones, load them, carry earth on shoulders. Female workers carry baskets containing earth, load limestone in tubs, etc. Wages are paid by contractors, but the Company has prescribed pay books and attendance registers, so that workmen would be paid the wages prescribed. There are 14 contractors. The consolidated wages of time workers are Rs. 1-10-0 for males, Rs. 1-9-0 for females. Contract labour is given bonus but does not get benefits of provident fund, gratuity or any kind of leave, casual, sick or privilege. The Company's representative, however, stated that instructions were given to the contractors recently to give leave according to the provisions of the Indian Mines Act. No houses have been provided for contract labourers. They come from the surrounding villages, but a few live in primitive hutments near the quarry area.

4.18. Ramkrishna Cements which has its factory at Macherla engages 10 or 12 contract labourers at the factory for unloading etc. It was so stated at the hearing by Shri Krishna Rao, the Personnel Manager. He further stated that the quarry which is 2 miles from the factory is run by contract labour and that, "We do not know what wages they pay. We pay (the contractor) on tonnage supplied."

4.19. Dalmia Cement (Bharat) Ltd. does not engage contract labour at its factory and quarries, but it was stated that coal unloading is often done by contract labour. The Andhra Cement Co. Ltd. and the Bagalkot Cement Co. Ltd. have stated that they do not engage contract labour.

4.20. In the quarry at Banjari of the Kalyanpur Lime and Cement Works Ltd., there are about 1,000 workers employed through contractors. The average attendance is 700 to 750 per day. Payment is by piece rate. The Company employs about 160 persons at the quarries on time rates. They are (1) mechanical drillers, (2) labourers conveying material from quarry to the crusher, (3) workers on the permanent way, (4) drivers of locomotives and other mechanics, etc. The basic wages of contract labour are as follows:

(1) Rollers	As. 9 to 12 per day.
(2) Welders and Trolley pushers	As. 12 to Re. 1 per day.
(3) Stone breakers	As. 14 to Re. 1 per day.

The dearness allowance was Re. 1 per day, payable by the Company, and it was stated that there is now an agreement between the Company and the contractors to pay Rs. 1-2-6 dearness allowance to all workers, but it was alleged that this agreement is not being implemented. Female workers carry limestone from the quarry bed to the pit mouths and fill trolley trucks with it. The contractor pays them basic wage of As. 9 to 12 per day. A number of workmen employed by contractors complained that they were not being paid regularly. On behalf of the Company, it was stated that it had suspended the contractor concerned, but the complaints related to a number of contractors. No housing is provided for contract labour by the Company. There are about a hundred hutments built by contractors for the workmen. The Company advanced money for building these at the rate of Rs. 35 per hutment.

4.21. At the limestone quarry at Murli belonging to Parshwa Properties Ltd., which supplies limestone to the Dalmianagar Cement Factory of Rohtas Industries Ltd., about 1,200 to 1,300 workmen are employed every day. They are engaged on piece rates. In another quarry of this Company at Chutia, about 1,200 workmen are employed daily through 45 contractors on piece rates. These workers get no provident fund benefits, but they are entitled to gratuity under an award. There is one dispensary for outdoor patients started 6 months ago.

4.22. The Associated Cement Companies Ltd., has stated that contract labour should be excluded from the scope of this Board because their terms and conditions of service are not determined by the company. Dalmia Cement (Bharat) Ltd. and Orissa Cement Ltd. have stated, "As contract labour is not under the direct employment of the cement companies, the Wage Board cannot and should not consider the question of their wages." To the same effect is the submission of the Jaipur Udyog Ltd., Rohtas Industries Ltd. and the Sone Valley Portland Cement Co. Ltd. They have further submitted that quarries are a different industry and with different conditions of work, subject to different statutes (what is probably referred to is the Indian Mines Act), and so they should not be covered by this inquiry. Ramkrishna Cements have represented that there is no need to include quarry workers in the scope of the inquiry, and at all events quarries situated away from the factory or not worked departmentally should be excluded. India Cements Ltd. has stated that it does not employ any labour through contractors. The Andhra Cement Co. Ltd. also does not employ contract labour. Shree Digvijay Cement Co. Ltd. has in its reply to the Questionnaire stated that it is not possible to give information in respect of labour employed through contractors. Dalmia Dadri Cement Ltd. also states that contract labour should not be covered by this inquiry and that, "Workers in quarries, specially in our case, must not be covered by the enquiry as our quarries are shifting from field to field and village to village. Villagers will not give us land for excavation purpose if people from their villages are not employed." The Kalyanpur Lime and Cement Works Ltd. states that the inquiry should be restricted to factory labour and departmental quarry workers, that at present the Company works quarries with contract labour. The U.P. Government factory does not engage contract labour, but it has a substantial number of convict labour in the quarries. The Mysore Iron and Steel Works has in its reply to the questionnaire not stated whether it engages any contract labour. It states that contract labour and persons working in quarries may be excluded from the scope of the inquiry by the Board. The Travancore Cements Ltd. has not, in its reply to the questionnaire stated anything about contract labour, but at the visit of the Board to Kottayam, it was ascertained that there is some contract labour engaged in loading and stacking of cement and loading and unloading of clay and coal. The Company has recently entered into an overall agreement with the Travancore Cement Workers' Union. One of the terms of the agreement is that as far as possible the Company will avoid the contract system of work.

4.23. We might here mention some of the arguments urged by the employers' representatives for the retention of contract labour. At Dalmianagar we were told by the local representative of the Rohtas Industries Ltd., "We abolished the contract system of unloading coal in the power house. There were 36 contractor's workmen. After they were made permanent, output decreased so much that more labourers had to be engaged. We had contract labour in the loading of cement bags. We departmentalised. Alternate jobs were given when wagons did not arrive. Contract labour is now engaged for unloading of coal, press mud, flue dust, spare parts, unloading of stones, pushing the wagon tippler, stitching of bags, hand printing of bags, loading of cement. We have 2 small packing plants, one for Rohtas, one for Ashoka. Only loading in wagons is done by contractor. But taking bags to the packers and filling them is done by the Company's men. Underweight bags are removed from the conveyor belt, packed with extra cement, and hand stitched by contract labour. Filling and weighing of these bags is done by contract labour. Our men said it was too dirty and they refused to do this work." When we visited the quarry of the Orissa Cement Ltd. the local representative of the Company said to us, "Efficiency suffers when contract labour is departmentalized. If we employ them we cannot remove them normally. Our supervisors are not so sincere and do not take so much interest as the contractor does, for his earnings depend on the work done. If there are less workers the contractor will send out munshi from village to village and collect men. There are 14 contractors. There are many contractors so that supervision can be effective. Each contractor has a limited number of men whom he can control better. The length of the quarry is long, so effective control cannot be exercised by one contractor."

4.24. The unions have strongly pressed that contract labour should be abolished, and have urged that until it is done this Board should fix the wage structure for the workers engaged by contractors. At the hearing before us, both the Cement Federations of workmen strongly pressed for the abolition of contract labour. On the other hand it was urged by the employers who engage contract labour that it is not within the scope of the Reference to this Board to recommend abolition of contract labour. Our terms of Reference require us to determine the categories of employees who should be brought within the scope of the wage fixation. If labour is employed on work of a regular nature in circumstances in which workers have no security of service, and a wage structure cannot be effectively applied because of the difficulty of enforcing control over a large number of contractors we

think it is open to us to recommend the abolition of contract labour in certain occupations, and, if it is allowed to be continued for certain categories of occupations, to recommend safeguards. The cement companies cannot be absolved from responsibility for seeing that the workmen in the industry have reasonable conditions of service.

4.25. The recommendation of the Tripartite Industrial Committee at Hyderabad that contract labour should be abolished in all operations connected with the manufacturing process (including quarrying operations) except loading and unloading operations has been given effect to by some cement companies. We have no hesitation in saying that where this has not been done, it should be done within six months of the coming into force of our recommendations. Here we may point out that the working of the limestone quarries, calcareous sand (marl) and shell deposits absorbs a large number of the labour employed in the Cement Industry. The work in the quarries is of a permanent nature. The Hyderabad Industrial Committee, therefore, rightly made specific reference to the abolition of contract labour in quarrying operations.

4.26. Regarding loading and unloading operations, it appears to us that the difficulties found by the Sub-Committee still continue to operate. The arrival of wagons and supply of empties are not regular and affect the loading of cement as well as the unloading of coal, gypsum, clay, bauxite, laterite, gunny bags, stores, machinery, spare parts, fire-bricks, etc. It would also affect the unloading of limestone wherever such limestone is obtained from distant quarries over the State Railway system and not by the producers' own transport arrangements. We would, therefore, allow contract labour to be employed in loading and unloading operations. To avoid any misunderstanding we would clarify that "loading" would include "packing", as bags cannot be packed and stored but have to be loaded straight into wagons and therefore depend on the supply of wagons. The contract system would therefore be permissible here, but not for branding and making valves in gunny bags both of which can be done independently of actual loading.

4.27. Wherever contract labour is employed in the Cement Industry, such labour should get the same wages, dearness allowance, leave, medical facilities, hours of work, and overtime as departmental labour and they should also get the same rate of bonus. If any contract labour is getting any benefits at any place other than those mentioned above under an Award or Settlement, such benefits should continue during the pendency of the Award or Settlement. We would also recommend that employers should carry more direct responsibility to ensure that the contractors make payment to their labour on the employers' premises and in the presence of a representative deputed by the employer to check and supervise such payments.

4.28. As stated earlier, the Industrial Committee on Cement excluded, from the scope of its resolution regarding abolition of the contract system, contract labour employed on construction work and on purely temporary work not connected with the manufacturing processes. We agree with the view that contract labour in these two categories of work should not be affected and would also add that our recommendations in paragraph 4.27 should not apply to such contract labour.

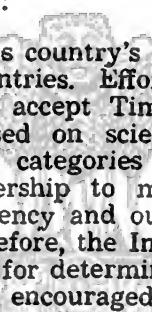
CHAPTER V
PRODUCTIVITY OF LABOUR AND THE QUESTION OF
FIXATION OF WORKLOADS

5.1. A number of employers have in their replies to the Questionnaire emphasised that the productivity of labour is not what it should be and that wages should be fixed according to the workload.

5.2. The Associated Cement Companies Ltd. has in its reply to the Questionnaire stated that it is desirable to fix workloads of various categories of workers wherever it is possible to do so. In reply to the question regarding the desirability of extending the piece rate system it has stated, "We are in favour of converting, as many as possible, of fully or partly time-rated jobs to piece-rated jobs. This assumes, however, that it is possible to measure the output of the individual or the small group or gang of which he is a member. This basic condition is fulfilled only in respect of jobs in the quarry, packing house, loading and unloading operations where piece-rates have already been introduced." The Sahu Jain group of Companies are in favour of fixation of workloads and linking of wages thereto in a number of occupations, on a group or individual basis. They have further stated that any proper fixation of workload cannot be done satisfactorily without a scientific time and motion study, and that the following jobs should be piece-rated:

1. Quarrying of limestone;
2. Loading, unloading, stacking and handling of cement bags, raw materials such as coal, gypsum, limestone, etc.;
3. Stitching of bags and packing of cement;
4. Certain jobs in the workshop department;

and that in due course it should be possible to gradually extend this principle to other jobs. They have further stated:


"Productivity of labour in this country's Cement Industry is definitely low as compared to other countries. Efforts in this direction could succeed provided Labour Unions accept Time and Motion Studies made by independent experts based on scientific methods about reasonable work-loads for different categories of workmen. There has to be enlightened labour leadership to make the workmen realise their responsibility about efficiency and output which ultimately will affect production cost and, therefore, the Industry's ability to pay. Introduction of piece-rate system for determining wage is, therefore, important and the same should be encouraged in place of time-rate system of wages."

5.3. Dalmia Cement (Bharat) Ltd. and Orissa Cement Ltd. have stated that the productivity of labour in the Cement Industry is definitely low by any reasonable standards. They are of the view that it is both practicable and also advisable to fix workloads and link wages thereto in a number of occupations, by means of time and motion studies. They have stated, "In a time rated wage structure unrelated to workloads, the workers appear to be carried away by the impression that they are being paid for time spent at the works site and this encourages a tendency towards lethargy, malingering, go-slow and similar unsocial conduct on the part of the worker." "We favour the introduction of piece-rated system of work wherever feasible. Generally speaking piece rate system would be advisable in those occupations where there is consistent work of a similar nature. Quarrying of stone, packing of cement, coal handling and transport of coal, store materials and other goods and several jobs in the workshop department can be put on the piece rate system." The Dalmia Dadri Cement Ltd. states that the productivity of labour is less than it should be, and that it is advisable and practicable to fix workloads for unskilled, semi-skilled and skilled workers and link wages thereto. This can be done through time and motion studies by experts. Shree Digvijay Cement Co. Ltd. has stated that productivity of labour is low and that wages should be related to workloads fixed by proper time and motion study. It has further stated, "The piece-rated system is in vogue at present in respect of packing of cement and loading of cement bags where payment on the basis of output is being made. It does not seem feasible to extend the system of piece rates to occupations which are not covered at present."

5.4. The Kalyanpur Lime and Cement Works Ltd. states that the current productivity of labour is lower than it should be and suggests the following measures to help to improve the situation:

- (i) Payment by results linked with incentive schemes;
- (ii) Introduction of reasonable work-loads through time and motion studies;

- (iii) Vocational training of workers, job training and supervisory training;
- (iv) Helping the labour to get united and forge its own leadership on true trade union lines divorced from political influence. The Labour to-day has become a tool of party politics and divided leadership, often resulting in illegal strikes and consequent loss of production."

On the question of linking wages with workload the Company says, "For regular factory operation, it is not advisable and practicable to fix work-loads except in the case of (i) packing and loading of cement and (ii) quarrying and loading of limestone and this can be based on previous experience of work and study of actual working." The Company has further stated, "We are in favour of extending piece rate work to the following occupations: (1) Packing and loading of cement, (2) Unloading of materials, (3) Raising and loading of limestone from the quarries." The Andhra Cement Co. Ltd. agrees that productivity of labour is less than what it should be. It has stated that it is possible to fix workloads in the case of unskilled labour handling raw materials and finished products, and in workshops, wherever the work is of a measureable character. On the question of piece rate it has stated that it is possible to extend piece rate to certain occupations which are at present time rated, *viz.* loading of bags into vehicles, workshop, etc. The view expressed by Ramkrishna Cements, Macherla is similar.

5.5. The Travancore Cements Ltd. has stated, "The productivity of labour is very much lower than what it should be. This is largely due to want of sincerity on the part of the labour. Well conducted Trade Unions working only for the interests of labour can do much to improve this position, but such Trade Unions do not exist today." On the question of linking wages with workloads its view is that in the Cement Industry workloads cannot be fixed for unskilled, semi-skilled or skilled workers nor wages linked thereto; and that it is not in favour of extending the piece rate system where it does not exist to-day.

5.6. India Cements Ltd. states that productivity of labour is definitely lower than what it should be, not only in the Cement Industry but in all industries, but it goes on to say, "Production in a Cement Factory means the production of Clinker, the semi-finished product. Only the very senior staff can increase the production. The burners may be able to assist if they are given full responsibility. This however will be at the risk of the quality of the Cement. If the other Employees give a normal working day's work, the production in a Cement Factory is not decided by the skill of the workers." On the question whether it is advisable and practicable to fix workloads for unskilled, semi-skilled and skilled workers and link wages thereto, its answer which is in striking contrast to that of some other companies is as follows:

"This is a question which, in our opinion, does not apply to a cement factory. Work in a cement factory cannot be measured by time and motion studies apart from a few unimportant items. How will you measure a watchman's workload? How can we measure a Carpenter's workload, when he is doing a different job every day. How can we say that an Electrician has done no work on a day when nothing went wrong? The less necessity for any work to be done by the Electrical Department, the better is the Department."

On the question of whether it is desirable to extend the piece rate system it has stated, "Apart from the quarry there are only two Departments at our Cement factory where piece rate system can be employed, namely the packing plant and coal unloading. We, therefore, cannot extend this system further."

5.7. The Bagalkot Cement Co. Ltd. has stated, "The productivity of labour in our unit is definitely lower than what it should be and what prevails in other units at other places. This is due to the following reasons: (a) Education level is very low, (b) Workers have no training of any industrial work, (c) Transport and handling need to be mechanised, (d) Policy of Labour Unions in pampering labour and encouraging them to put demands not justified by additional productivity are working as deterrents against productivity of labour. This position can be improved only if the management is given the right of fixing workloads, in consultation with labour itself, and getting rid of such workmen who, in the opinion of the management, are shirkers. There should be no interference with this right of the management from any source so long as such action is not taken *mala fide*." The Company is in favour of fixation of workloads if it is possible to do so. It suggests that a small committee consisting of management personnel conversant with fixation of workloads, etc. should be appointed to go into this matter and submit proposals, after consulting representatives of workmen, to fix up workloads for each category of workmen.

5.8. The Director of the U.P. Government Cement Factory at Churk has stated, "The productivity of labour is much lower than what it should be. There is a general apathy, lack of sense of discipline, proper sense of values and careful handling of material and machinery, absence of spirit of love of work and sense of national development." He has further stated, "It is not practicable to link wages to work load. In a mechanised continuous process cement factory, individual output cannot be assessed. There is no system of piece rate in this factory. The question of extending it does not arise. In the Cement Industry piece rate system

cannot be applied to occupations concerned with the essential process of production. In minor occupations, like loading or unloading of cement and other raw materials this system can be adopted."

5.9. The Mysore Iron and Steel Works at Bhadravati, which operates the cement factory there has stated:

"The productivity appears to be low. The following steps may be taken to increase productivity:

- (1) Fixing of work loads wherever possible by fixing standard time for repetitive jobs by application of Time Study.
- (2) Improvement of methods by application of the techniques of Motion Study.
- (3) Improvement of working conditions in the Plant.
- (4) By technological improvements.
- (5) Minimising of wastage.
- (6) Maintaining cordial relationship with the labour.
- (7) Establishment of grievance procedure in order to settle the grievances of employees expeditiously at the lowest step.
- (8) Participation of labour in improving the production by having regular production committee meetings and inviting suggestions from employees and rewarding good suggestions.
- (9) Minimising of accidents.
- (10) Removing of inequities in wage structure by introduction of Job Evaluation.
- (11) Introduction of piece-work wherever feasible.
- (12) Maintaining high morale among employees."

It is further stated that jobs which lend themselves to measurement of work, such as loading, unloading, packing of cement bags, etc. may be converted into piece rate system.

5.10. The Government of Madras (Department of Industries, Labour and Co-operation) has stated that in view of the wide variations in the lay out, type of machinery installed, disposition of plants, capacity of the factories and the process of manufacture, each factory should be treated as an independent unit for the purposes of fixation of workloads and standard strength of staff for different wings, as recommended by the Madras State Tripartite Cement Committee. On the question of extension of the piece rate system, the Government of Madras has stated:

"The Committee recommended that the time-rates should gradually be substituted for the piece rate system in occupations where they are obtaining and that until that is done, it should be ensured that piece-rate workers were paid at rates sufficient to enable an ordinary worker to earn at least as much as the minimum time-rate for the corresponding category. It may be pointed out that emphasis has been laid in the policy of the Second Five Year Plan for the introduction of the system of payment by results with a minimum fall back rate with a view to giving incentive to workers to step up production. This Government suggest that this principle may be kept in view in fixing the wage structure."

On going through the Report of the Madras State Tripartite Committee it is found that no reasons are given for the proposal to replace the piece rate system where it exists by the time rate system and the Employers' Representatives on that Committee dissented from the majority view.

5.11. The Government of Rajasthan (Industries Department, Labour Section) has stated, "The productivity of labour has really gone down. The Labour has become more conscious about their rights, but has little sense of devotion. This attitude on the part of labour is responsible for low productivity of labour. The labour should realise that they have also to play an effective role in the shaping of the industry and have, correspondingly, a set of duties to be performed in this behalf. This only can bring about a change in the present out-look and attitudes." It has further stated that wages should be linked with workload, and in the absence of arrangements for time and motion study, the basis for adoption should be the workload in the same kind of factories in the particular region or the workload in force in the particular factory in the past three years. It goes on to say that the piece rate system of wages is no doubt good but all jobs cannot be converted into the piece rate system.

5.12. The Government of Orissa (Labour Department) has stated that the productivity of labour is not up to the standard and this can be improved by the management of Companies establishing training classes in the premises of the factories.

5.13. In the recent publication 'Financial Trends and Productivity in the Cement Industry' brought out by the Association of Indian Trade and Industry it is stated:

"Productivity in the Indian Cement Industry as measured by the quantity of cement produced per man-day or per man-hour, or the installed

capacity or production per employee, was very low in India compared to leading cement manufacturing countries such as the U.S.A., Belgium, Japan, U.K. and West Germany. In 1957, installed capacity in the cement industry per employee was over 1400 tons in Holland, Belgium and the U.S.A., as against about 148 tons in India. The total number of man-hours required per ton of cement output in 1957 was 1.50 in the U.S.A., 1.53 in Belgium and 1.75 in Japan. The corresponding average for India was, probably, more than ten times in the case of the U.S.A."

In the publication it is further stated:

"Although productivity is low in India, it has improved since 1946. This improvement in productivity has been associated with a corresponding increase in the average size of the plant, which enables the industry to take advantage of economies of large scale production; and an increase in the degree of mechanisation per man-day, as measured by the units of electric power (kwh's) consumed per man-day....."

and at page 17 it is stated:

"The labour displacement in the U.S.A. vis-a-vis India appears too high in relation to the extra capital investment. Among the explanations of this perplexing problem are the greater proportion of higher-priced newer assets in India, the higher costs of plants and machinery in an importing country like India, the larger proportion of non-production assets like workers' housing and townships in India, the larger proportion of non-production workers in the labour force of the Indian companies, and the general labour attitude to prefer bigger labour complement for a given workload than in the Western countries."

5.14. It may be noted here that the term "labour productivity" is not always used in the same sense. In one sense, and that is the sense in which it seems to have been used in the publication referred to above, it is the ratio of production output to the labour input. But production depends on a number of factors besides the efficiency of labour such as quality of raw material, managerial skill and organisation, the state of the machinery and plant, etc., production technique and technical improvements, and it is absolutely impossible to measure a separate product assignable to any factor in production such as labour dissociated from the other factors. Therefore in considering whether there has been increase or decrease of productivity of labour between two periods, the question whether other factors have altered and, if so, to what extent, is relevant, and on account of the great difficulty of assigning a separate product to any one factor, any inferences with regard to increase or decrease of productivity of labour must be drawn with caution. There is, however, no gainsaying the fact that productivity of labour in the Indian Cement Industry is lower than it should be as is evident not only from the facts given in the publication referred to above but more so from the other facts which will be referred to in the succeeding paragraphs.

5.15. The Sahu Jain group of Companies have filed two statements which throw an interesting light on the subject. Statement (1) gives the set up of plants in India and the Western countries. Statement (2) shows the number of employees at cement works in the U.K. in 1946 for a 300-ton plant and 500-ton plant as follows:

300 tons wet kiln plant			500 tons wet kiln plant		
Day Shift	Night Shift	Total	Day Shift	Night Shift	Total
64	24	88	76	24	100

In comparison the number of workers for such sized plants in India is known to be many times this number. The comparative description of the machinery in Indian and foreign factories is given as follows:

	Indian	Foreign
(a) Feeding the Limestone.	In most of the places mechanical means are adopted like Tripplers, automatic discharge wagons or trolleys.	All have mechanised working.
(b) Crushers	Do.	Do.
(c) Conveying of stone chips	Elevators and Belt conveyors.	Elevators and Belt conveyors.
(d) Crane Storage Hall	Cranes	Cranes.
(e) Mill House	All automatic and mechanised.	All automatic and mechanised.
(f) Kiln House	Do.	Do.
(g) Transport of Cement	Automatic/Semi Automatic	Automatic.
(h) Packing House	Automatic packers	Automatic packing.
(i) Transport of bags	Partly automatic	Automatic.

5.16. Shri Mogensen of Messrs. F. L. Smidth who supply cement machinery to factories in many parts of the world has vouched for the correctness of the facts given in paragraph 5.15. He has visited practically all cement factories in India. He has stated, "These figures (of the number of employees in the foreign plants) are not final because we can achieve still better figures. In Denmark we have built cement works of 400 tons plant (one kiln) in which the number of workers will be about 75. In Storavika Cement Works in Sweden built in 1949 (2 kilns of 500 tons each) they employ 200 people (including employees in quarries). The reasons why the number of workmen is larger in India are as follows. Most pronounced reason is, you cannot get the Indian worker to do several kinds of jobs. In Europe, for instance, a burner master would look after the kiln and also look after other jobs; he would do the oiling and all those things for which we in India have half a dozen persons. There are no Assistant burners in European factories. It may also be that they (Indians) are not capable of doing so much more work. They may not be as sturdy as the European worker. Indian cement works are just as mechanised and up-to-date as those in Europe, except that Japla is a very old factory and not up-to-date. In quarries we have manual labour more than in Europe. All quarries in Europe are completely mechanised. In Pitstone Cement Works, U.K., the Works Manager would usually be the Engineer. I do not think that in cement works in Europe there are workers on piece rates. There is no question of workload as all have plenty of work to do." He however mentioned certain factors on account of which more workers should be required in some Indian factories. He referred to the fact that some Indian factories had to have their own power house; that in European cement factories normally they do not make so many spare parts at works, as they can buy them almost next door from machinery manufacturers. Therefore their workshop staff is not so big as here. He stated, "Normally you do not need masons in cement works. Masons could be got from outside for lining kilns. I have never heard of a mason being employed in European cement works."

5.17. Dr. K. R. Paymaster, Secretary and Research Director of the Association of Indian Trade and Industry stated before us, "We employ seven to eight times the labour compared to that employed in Western countries on similar plants. Proportion of administrative and non-production staff is also higher in India." He referred to a cement plant which he saw in Europe which was managed by 5 workers. Perhaps he was referring to the new Cement Works near Copenhagen where the main machinery is a 400-ton Unax Kiln. According to an Article in a Spanish technical paper "Cemento-Hormigan" the total number of employees at these works in the day shift is 70 and the night shift 5. These five men are as follows:

- 1 Burner master.
- 1 man in the slurry department.
- 2 men in the mill department.
- 1 crane driver.

5.18. We have in the foregoing paragraphs referred to facts which bear out the unwillingness of Indian labour to undertake different kinds of duties (as are done in Europe). In part this may be due to traditional objections and to a less extent to climatic conditions and the fact that the Indian labourer is not so sturdy as the labourer in the Western countries.

5.19. It should not be supposed that some of the features referred to above, e.g. the unwillingness of labour to do different kinds of jobs is peculiar to the Cement Industry. In an address delivered recently in India, Dr. Gunnar Myrdal, former Executive Secretary of the Economic Commission for Europe made the following observations in regard to the low productivity of workers in India:

"Around every piece of work to be done, there are too many workers hanging around. You are, of course, well aware of the fact that a regular situation in some of the most modern factories in India is that a machine which in Sweden or Germany, the Soviet Union or the United States is serviced by one man or woman, here will need two, three, four or even five men. In spite of low wages the actual labour costs to the Industry then often comes up towards or above, the levels in the richer countries with their higher wages but also higher labour efficiency. Your industry is then not competitive and will lack the strength for expansion."

5.20. Shri Poddar, Works Manager of the Rohtas Industries factory, and a Director of the Sone Valley Portland Cement Co. Ltd., stated to us that an oiler, even though he has only half an hour's work in a day would not do other work because he would say that he is an oiler. It may appear to be an exaggeration that an oiler would have oiling work sufficient only to occupy him for half an hour a day, but it does appear that there are such cases. In the Ibcon Report in respect of the Dalmianagar Cement factory it is stated:

"Drag-line driver and oilman

There is one driver and one oilman in general shift, for working on the drag line, which is used for removing coal, clinker or limestone into the storage from outside the yard. The drag-line would not come to be used normally, for clinker or limestone, unless the storage space for these gets filled up. Efforts should be made to limit the arrival of

limestone wagons from the quarries, whenever the limestone storage is filled up. With the completion of the extension of coal storage yard, that is now in hand, the need for the use of drag-line would be still further reduced. Even when the drag-line is under use, the oilman's work is very insignificant and is estimated to amount to about half an hour in the day. This should normally be performed by the driver himself. If personnel difficulties do not permit this arrangement, the services of the wash-mill oiler should be used for this purpose. As such, it is thought that the post of an oilman for the drag-line is superfluous."

5.21. While the gradual improvement in the living standards of the working class is an aim that has always to be kept in view, we have, unfortunately, to bear in mind that labour in India, generally speaking, is conscious of its rights but not equally of its responsibilities. There is an unwillingness on the part of labour to do different kinds of jobs, an insufficient realisation of the responsibility of putting in a fair day's effort in return for a fair wage and absence of a spirit of love of work. Growth of education and healthy trade unions may help to improve the situation. We have in making our recommendations endeavoured to give a fair deal to labour. The worker should be ready, like his Western counterpart, to do different kinds of jobs that may be given to him. He must realise the necessity of doing a fair day's work for a fair wage. If this is not done, not only will it be vain for him to look for any further improvement in real wages but even the wage structure which we have determined would be endangered. The Workers' Representatives on this Board do not agree with the views expressed in this paragraph.

5.22. Our terms of Reference require us to bear in mind the desirability of extending the system of payment by results. However, the introduction of the piece rate system is not feasible in a large number of occupations connected with the manufacturing operations in the Cement Industry because individual or even group performance is not measurable. In quarries and in the departments of factories where measurement of work is feasible, *viz.*, packing, and loading and unloading, most of the employers have introduced piece rates. We recommend that employers who have not introduced the piece rate system for such work should endeavour to do so. When a piece rate system is introduced the rate should be so fixed that the piece rate workers working at normal speed should earn not less than the wages determined by us for time rated workers in the category, and the other factors making for the success of the piece rate system (given in the I.L.O. publication 'Payment by Results') should be borne in mind. We would urge the Unions to afford all co-operation in doing so. When the piece rate system is so introduced the wage structure and other provisions that we have recommended with regard to the piece rated workers should apply.

5.23. The Fair Wages Committee observed in paragraph 18 of its Report:

"We are of the opinion that the wage-fixing machinery should relate a fair wage to a fair load of work and that in case of doubt whether the existing workload is reasonable or not, proper time and motion studies should be instituted on a scientific basis."

Relying on this, the Employers' Representatives on our Board propose that until workloads are determined by the National Productivity Council or some other expert agency, the minimum cash wage for unskilled workers, which we have recommended in Chapter XIII to be Rs. 91 and 98 (for certain areas) should be reduced to Rs. 71 and 78 respectively and that semi-skilled, skilled, clerical, technical and supervisory staff should be given half of the initial increases recommended; and that after the workloads are determined by time and motion studies or other more developed techniques the reduction should be made good.

5.24. We are unable to agree with the proposal of the Employers' Representatives for the following reasons: The Cement Industry is a continuous process industry and in the manufacturing operations production does not depend on individual performance. In the large majority of occupations connected with the manufacturing operations in this Industry the nature of work is such that it cannot be measured for individuals or groups. It has been admitted by a number of employers, and it was also admitted by some managers of factories which we visited, that fixation of workloads in such occupations is not feasible. If by fixation of workloads in such occupations the Employers' Representatives mean the determination of the strength of staff in each department, then we would say that under the time rate system, which is the only suitable one for the large majority of occupations in the manufacturing operations of the Cement Industry, the aim of maintaining desirable standards of efficiency can be secured more by adequate supervision in the factory than by calling upon a third party to fix the strength in each department in the factory. The Employers' Representatives propose fixation of workloads by an outside agency even for jobs like clerical jobs and maintenance (repair) jobs. It seems to us that the Employers' Representatives are putting too much emphasis on the letter of the passage in the Fair Wages Committee's Report referred to above. It is overlooked that time and motion studies are mainly applied in industrialised countries to repetitive work where numbers of similar articles are produced or handled in succession. In the quarries and also in a few occupations in the factories where the work can be measured, most of the employers have already introduced piece

rates. We have no *prima facie* evidence before us nor has it been alleged before us during the arguments on behalf of the employers that in the case of such piece rates, workloads fixed are inadequate. We have recommended that the employers who have not introduced piece rates in such occupations should do so, subject to the conditions given in paragraph 5.22 above. In such cases, the fixation of workloads in the factory or quarry according to the procedure recommended by us above should not present any difficulties. We therefore do not see justification for not giving full effect to our recommendations for an interim period for time workers as well as piece workers.

5.25. We may add that it is feasible to link wages with workloads where defined standardized units are produced in large quantities by repetitive work and the output of each worker can be measured. It is effective if the quantity produced depends on the worker's efficiency, speed and concentration in the job. The textile industry furnishes an illustration of suitability for linking wages with workloads or for piece rates. Cloth weaving is of a defined standard and the output of the weaver on the loom can be measured. The worker can influence output by quickly repairing breakages in the yarn. He can be penalised by deductions from his earnings for negligence. So also coal hewers are usually paid on tonnage rates. The product from a seam is uniform and output can be measured. The coal is loaded into tubs and the quantity can be credited to the worker or the team of workers. Such conditions do not obtain in the manufacturing operations in the Cement Industry. In the Cement Industry as also in other industries workloads even in the sense of the fixation of the standard strength of workers in the departments of each factory have not been fixed by a system of time and motion studies. They have been arrived at *ad hoc* on the basis of experience. In some factories investigations have been made by Ibcon Ltd. who have reported excesses of man power, but we understand that no action has been taken on their findings.

5.26. In the manufacture of cement, machinery plays an important part compared to the contribution by individual workers. Even in the process departments there is difference between factory and factory in the lay out, type of machinery installed, disposition of plant, capacity of mills and process of manufacture (wet or dry). It would not therefore be possible to evolve a uniform standard in regard to workloads according to regions, much less on an all-India basis, and each factory would have to be treated as an independent unit. In the process departments such as hammer mill, raw and cement mills, kiln and coal mills, fixation of workloads can only take the form of determining the adequacy or otherwise of the workers employed. So far as the maintenance and repair departments are concerned, the work would vary from time to time according to the condition of the plant and machinery in different sections, the target figures of production and other indeterminate factors. In the welfare departments such as canteen, dispensary and conservancy, it is also difficult to fix workloads. Even in the work of coal unloading, and cement packing departments, where piece rates have been fixed they have not been based on any scientific time and motion studies. There are differences between factories in the conditions of work such as the provision of pits for coal unloading which helps quicker clearance of wagons, mechanical flow of cement into the bags, method of filling, type of container used (valve bags and open mouth bags), work posture for the job (lifting directly from the machine or from the stacking shed), method of loading, provision of aids such as trolleys for carrying the bags to the wagons, etc. Besides, time and motion study has its limitations. There is the human variable element contained in the judgment of time-study men who make the determinations and set the task. The assessment of output of a normal worker working at normal speed under normal conditions is, to some extent, subjective. In Reynolds' "Labour Economics and Labour Relations" (New York, 1949 edition) it is stated at pages 369-70 that the question of what constitutes a proper speed of work is incapable of any strictly scientific answer and that, "who is to say how fast a man should work for the benefit of the employer or the consumer? It seems unavoidable that there will be difference of opinion between production and engineering officials on the one hand and workers and their union representatives on the other hand, and that actual work speeds must be a matter of bargaining and compromise rather than a scientific measurement."

5.27. It might be mentioned that the Tripartite Committee on the Cement Industry in Madras which went into the question of workloads in respect of three factories, *viz.*, Madukkarai, Dalmiapuram and Talaivuthu, divided the various departments in a cement factory into three groups, (1) the process department or departments directly connected with manufacture such as coal unloading, hammer mill, raw and cement mills, kiln and coal mills and packing house. (2) the maintenance and repair departments such as electrical and mechanical workshops, and (3) welfare departments such as canteen, dispensary and conservancy. It came to the conclusion that in the second and third groups it was not feasible either to fix workloads for individual occupations or to determine the complement of staff required for the departments. As regards the process departments the Committee observed that there were wide variations in the lay-out, etc. and it was not possible to evolve a uniform standard in regard to workloads or the complement of staff in the different departments. It therefore took each of the three factories as an independent unit for the purpose of fixation of workloads or standard strength of staff in the different wings. The Committee made a detailed review of the strength in

the different departments to assess the adequacy of the strength, taking into consideration the requirements for the different shifts, shift relief and leave reserve, and found that in the majority of cases the existing complement of staff was adequate and in certain sections the Committee considered strengthening necessary. As stated in paragraph 5.10 above, it recommended that the piece rate system wherever it prevailed should be replaced by a time rate system, but the Employers' Representatives on the said Committee dissented from this view.



CHAPTER VI

THE MINIMUM WAGE

6. The terms of reference to this Board require it to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages. In formulating our conclusions, we have also taken into consideration the recommendation of the 15th Session of the Tripartite Indian Labour Conference held in July 1957, which are as follows:

"Wage Policy during the Second Five Year Plan.

- (1) While accepting that minimum wage was 'need-based' and should ensure the minimum human needs of the industrial worker the following norms were accepted as a guide for all wage fixing authorities including minimum wage committees, wage boards, adjudicators, etc.:
 - (i) In calculating the minimum wage the standard working class family should be taken to comprise three consumption units for one earner, the earning of women, children and adolescents being disregarded.
 - (ii) Minimum food requirements should be calculated on the basis of a net intake of calories as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
 - (iii) Clothing requirements should be estimated on the basis of a *per capita* consumption of 18 yds. per annum, which would give for the average worker's family of four a total of 72 yds.
 - (iv) In respect of housing, the rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme should be taken into consideration in fixing the minimum wage.
 - (v) Fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent. of the total minimum wage.
- (2) Wherever the minimum wage fixed was below the norms recommended above, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the aforesaid norms.
- (3) As regards fair wages, the Wage Board should go into the details in respect of each industry on the basis of the recommendations contained in the Report of the Committee on Fair Wages. These recommendations should be made applicable to employees in the public sector also."

6.2. At the outset, it will be convenient to refer briefly to the way in which the cost of living was assessed and a wage worked out on that basis in previous inquiries. The Bombay Textile Labour Enquiry Committee of 1937 took the consumption units at 3. It relied on Dr. Aykroyd's estimate that in South India the cost of a well-balanced diet was Rs. 5 to Rs. 6 per man. In view of the generally high cost of living in Bombay State, the Committee placed the figure at a minimum of Rs. 6 per month and went on to say:

"Dr. Aykroyd further points out that this estimate does not allow for any 'extras' such as sugar. He is of opinion that an allowance of 25 per cent. of the total cost of primary foodstuffs should be made for expenditure on 'extras'. Calculating the cost in general terms for this Province, Dr. Aykroyd's estimate would work out at Rs. 18 plus Rs. 4/8/- for 'extras', that is, a total of Rs. 22/8/- per month for a family of three consumption units."

The cost of food was taken to be the same, *viz.*, Rs. 22/8/-, for Bombay, Ahmedabad and Sholapur. The Committee took the vegetarian diet as the basis, observing:

"We have decided to base our calculations on the vegetarian diet only, because we desire to ascertain a minimum living wage standard, and also because the family budget studies reveal a comparatively small consumption of meat amongst textile workers in this Province."

The Committee observed that estimates of other experts agreed in placing the figure of monthly expenditure of food for 3 consumption units to be Rs. 22/8/- for vegetarian diet and Rs. 29/5/- for non-vegetarian diet. On housing, the Committee held that 180 square feet was the minimum requirement in Bombay and that the standard of the floor area may be put a little higher in less crowded cities. The expenditure on house rent was taken in round figures to be Rs. 12/8/- for Bombay, Rs. 7/8/- for Ahmedabad and Rs. 3/8/- for Sholapur. The minimum expenditure on items other than food and rent was taken to be between Rs. 15 and Rs. 20. The Committee came to the conclusion that for maintaining a living wage standard the range for a typical family of husband, wife and two children was between Rs. 50 and

Rs. 55 for Bombay, between Rs. 45 and Rs. 50 for Ahmedabad and between Rs. 3 to Rs. 5 less than Ahmedabad for Sholapur and "that the ranges for other centres could be determined by making similar appropriate allowances." The Committee suggested that the minimum wage should be arrived at by discussion and conciliation. It broadly considered the basis of wage fixation to be three factors, (1) the living wage, (2) the capacity to pay, (3) relation to wages in other industries. On the third point it observed that while in special circumstances the third factor might prove to be of considerable use, it could not be usefully made applicable in the case of a major organised industry, the wage rates in which were themselves influential in determining the general level of wages.

6.3. In 1940, the Rau Court of Enquiry was constituted to ascertain the rise in the cost of living of the lower paid staff of the G.I.P. Railway since the outbreak of the War. The Committee was of the view that Rs. 35, Rs. 30 and Rs. 25 per month represented the subsistence levels for a family consisting of 3 consumption units in a city like Bombay, in urban areas and in semi-urban areas respectively, according to pre-war prices. Full neutralisation of the rise in the cost of living was recommended in the case of wages at or below subsistence level. It may be noted that the Committee was not appointed to consider the amount of wages to be paid, and calculations were made by it for the limited purposes of awarding dearness allowances, but the above mentioned figures arrived at by it have been relied on by later adjudicators. Shri Justice Rajadhyaksha, who adjudicated on the dispute with regard to employees in the Postal Department, was of the view that on the basis of 3 consumption units Rs. 65 to Rs. 70 per month represented the minimum requirements of an average working class family in Bombay and Rs. 55 to Rs. 60 in less expensive areas, according to the prices prevailing in 1946. Full neutralisation in the case of wages at or below subsistence levels was recommended.

6.4. In 1947, the Industrial Court of Bombay gave an Award in the case of the cotton textile industry in Bombay. It concurred with the observations of the Bombay Textile Labour Enquiry Committee that it was not possible to lay down in well defined terms any basis for a minimum wage, that the standard of living and the condition of the industry would always remain a guiding consideration and it was not possible to define in a precise manner either of these concepts or to indicate the weight to be attached to each. The Court came to the conclusion that, on the basis of 1939 prices, no workman in the city of Bombay should get less than Rs. 30 for a month of 26 working days. It awarded Rs. 28 as the minimum wage for Ahmedabad and Rs. 26 for Sholapur.

6.5. The United Provinces Labour Enquiry Committee, 1946-48, examined standards of living under the heads, (1) the poverty level, (2) the minimum subsistence level, (3) the subsistence plus level, and (4) the comfort level. The subsistence plus level was described at the level in which the income was sufficient "not only for physiological existence, but also for some elementary social necessities, medical attention, car-fare (tram), insurance, a modicum of recreation, clothing compatible with self-respect as well as sufficient to provide bodily protection, an elementary education for the children and some self-improvement requiring expenditure can be had without the necessity of taking it out of food." The comfort level was defined as follows: "At this level, a family is able to live in a decent house or apartment, moderately equipped and decorated, it has reasonable adequate funds available for such items as insurance, education, vacation, health maintenance and amusements." The Committee went on to say that the fixation of the minimum living wage at the comfort level for the great mass of workers was not within the realm of attainment even in the most advanced countries of the world, and that the subsistence plus level must be taken as the criterion of the socially desirable minimum basic standard of living or basic living wage. The Committee called this standard "the minimum living wage". It was of the view, after taking into consideration food requirements as 2,700 calories, a cheap vegetarian diet, and housing conditions obtaining in the United Provinces, that it could not recommend a figure lower than Rs. 30 on the basis of the pre-war level of prices. For the semi-skilled, skilled and highly-skilled occupations, the minimum wage, which the Committee recommended, was Rs. 40, Rs. 50 and Rs. 75 respectively. The Committee was further of the view that "the criteria for wage regulation should be the capacity of the representative firm. To put it negatively, in no case should the capacity of the least efficient firm be used as the guide to the adjustment of wage rates."

6.6. In the case of the Buckingham and Carnatic Mills (1952 Labour Appeal Cases, p. 490) the Labour Appellate Tribunal considered what should be the fair wage according to the Fair Wages Committee Report. Dr. Aykroyd's estimate for the cost of a balanced diet being Rs. 5 to Rs. 6 in Madras, the Tribunal took it to be Rs. 5/8/- It worked out the minimum wage on the basis of pre-war prices as follows:

	Rs.	A.	P.
Expenditure on diet	16	8	0
House rent	4	0	0
Fuel and light	2	0	9
Clothing and other miscellaneous expenditure	5	3	0
TOTAL	27	11	9

and rounded off the figure to Rs. 28. It continued the then existing dearness allowance at 3 annas per rise of one point in the cost of living index and declined to increase it. The Tribunal was of the view that full neutralisation of the rise in the cost of living should not be allowed and observed:

"Having regard to the consideration said by us in fixing the basic wages at Rs. 28 for the lowest grade workers it cannot be said that with that wage level they would have been living below the poverty level before the last war, and besides the generally accepted view is that complete neutralisation should not be allowed by 'payment of dearness allowance'. Two reasons have been given in support of that view, namely, (1) the industrial worker should also be called upon to make sacrifice like all other citizens affected by the rise in prices due to abnormal conditions and (2) complete neutralisation would tend to add fillip to the inflationary spiral. Great weight was placed on the last mentioned reason in the Report of the United Provinces Labour Enquiry Committee, 1946-48, where it was pointed out that complete neutralisation would lead to a vicious circle, namely, a rise in the total emoluments of an industrial worker which would force a rise in prices which in turn would again force a rise in total emoluments of an industrial worker. We consider these principles to be sound and cannot countenance a claim to such dearness allowance as would neutralise either cent. per cent. or nearly cent. per cent. of the rise in the cost of living due to the abnormal rise in the price of commodities" (pp. 519-520).

6.7. The All India Industrial Tribunal, which adjudicated on the Colliery disputes calculated Rs. 69/1/- as the minimum cost of living for 3 consumption units. The Report was made in May 1956 and was based on the trend of prices from July 1955 onwards. The Tribunal fixed the minimum wage accordingly. It had before it evidence produced by both sides as to the cost of living prevailing then and came to the conclusion that the cost of food for 3 consumption units would be Rs. 50. It observed, ".....We are satisfied that the workers can have a balanced diet within that amount. We may add here that the figure would not be very much different from what we have fixed as the cost of food had we taken Dr. Aykroyd's Rs. 5 for the vegetarian diet and assessed its cost in relation to the present day prices." For clothing a sum of Rs. 4/1/- per month for 60 yards was assessed as reasonable. Expenditure on miscellaneous items including lighting was estimated at Rs. 10; Rs. 1/8/- was taken as expenditure on education; Rs. 1/8/- was taken for medical expenses; Rs. 2 was fixed *ad hoc* for house rent, the Tribunal observing:

"Regarding house rent as an item to be taken into account in assessing the cost of living, we find that no materials have been placed before us. If what has been awarded by the adjudicators in other industries is an indication of the value of this item we would be justified in fixing its value at Rs. 2 per month."

The dispute was taken in Appeal to the Labour Appellate Tribunal which accepted the figure of Rs. 69/1/-, but it observed:

"We must add that the Tribunal when assessing minimum needs exercised great restraint which is apparent from their meticulous calculations. There is considerable force in the argument of labour that with adequate neutralisation the minimum wage of the lowest paid would be a good deal higher than Rs. 69/1/-, but we have to be realistic in the matter of wages. We do not for a moment suggest that Rs. 69/1/- adequately caters to the reasonable requirements of a family of 3 consumption units, and if circumstances had been more propitious the workmen would have been entitled to more. But this question of wages has to be considered in the larger context of present day wage levels and the economic structure and, therefore, we take the view that it would be unwise to increase the minimum wage of Rs. 69/1/-, and in any event it is not possible to reduce it. A substantial general rise in wages is being achieved by this reference, and labour should rest content for some years."

6.8. The Report of the Rajasthan Cotton Textile Labour Enquiry Committee may here be referred to. This Committee was appointed by the Government of Rajasthan on 16th December 1955. It consisted of two representatives of employers, two of labour and an independent Chairman, Shri S. R. Deshpande. That Committee worked out the minimum budget of the least skilled worker within the framework of the definition of a "minimum wage" given by the Fair Wages Committee, at the average of retail prices in Jaipur from July 1955 to January 1956, to be Rs. 65. The Committee observed as follows:

"In the absence of any scientifically conducted family budget study, either by a Government department or private agency, such as a department of a university, in ascertaining the content of the pay packet, and in determining its value in terms of goods and services, we had to rely on the hypothetical minimum budgets submitted to us by the parties, evidence tendered before us by the representatives of the mills and unions, the evidence given by individual workers chosen at random from the muster-rolls of the various mills, figures obtained from the

workers' co-operative society in the Jaipur Mills, published data for other industrial centres in the country, estimates based on the first-hand experience of conditions in Rajasthan of some senior officials, the extensive and varied experience of one of us in conducting family living studies and compiling cost of living index numbers in the country, the advice given by the Director, Nutritional Research Laboratories, Coonoor, study of jail diets in Rajasthan, the evidence tendered by the Statistician, Labour Bureau, Government of India, etc. The estimates of the cost of the minimum budgets furnished to us by various individuals vary from Rs. 48 to Rs. 92 per month."

The food budget was examined by the Director, Nutritional Research Laboratories, Coonoor and adjusted in the light of his comments which were as follows:

"As a minimum budget, it is not ill-balanced and not quite inadequate. The inadequacy, if there is any, would particularly lie in the supply of calories. I am not quite conversant with the duties of a cotton mill worker and I am unable to decide whether these duties would fall in the realm of 'moderate' or 'heavy' work. I am assuming that most of the cotton mill workers would engage in 'moderate' work. Even with this assumption the calorific value of a diet is, in my opinion, not adequate. An increase of about 200 calories would be advisable. This should be obtained by an increase in the amount of cereals or vegetable oil. The other consideration which I should bring to your notice is that vitamin 'A' value of the diet would be adequate only if the mill workers consume a fair amount of green, leafy vegetable in their diet, because the most important source in Indian vegetable dietaries of vitamin 'A' is in the form of provitamin, viz., carotene, which is abundant in green, leafy vegetables. In other respects, the nutrient content of the diet appears to be satisfactory. To meet his objection regarding the inadequacy of calorific contents, an addition of five seers of coarse cereals and half a seer in vegetable oil has been made."

The Committee went on to say:

"The following is the average minimum budget as finally evolved and which we consider to be a suitable minimum budget for the cotton mill worker in Rajasthan.

Minimum Family Budget of a Family, consisting of 3 consumption units, of a Cotton Textile Mill Worker in Rajasthan.

		Rs.	AS.	Ps.	Rs.	AS.	Ps.
I. FOOD							
1. Wheat	.	25	srs.	0 5 1	per sr.	7 15 1	
2. Barley	.	30	"	0 3 3	per sr.	6 1 6	
3. Gram	.	10	"	0 3 6	per sr.	2 3 0	
4. Pulses	.	5	"	0 5 7	per sr.	1 11 11	
5. Mutton	.	2	"	1 4 2	per sr.	2 8 4	
6. Milk	.	7½	"	0 8 1	per sr.	3 12 8	
7. Oils	.	2½	"	1 3 8	per sr.	3 1 2	
8. Ghee (including vegetable oil)	.	1½	"	3 2 0	per sr.	4 11 0	
9. Vegetables	.	11	"	0 4 9	per sr.	3 4 3	
10. Spices	.					1 4 0	
11. Gur	.	3	"	0 6 0	per sr.	1 2 0	
12. Sugar	.	1½	"	0 12 9	per sr.	1 3 2	
13. Grinding charges	.					1 0 0	
						39 14 1	
						say	39 14 0

II. FUEL LIGHTING

1. Firewood & Charcoal (including Kerosene).	4 0 0
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III. RENT

4 8 0

IV. CLOTHING AND FOOTWEAR

8 0 0

V. MISCELLANEOUS

1. Biris, Matchbox & pan	2 0 0
2. Hair Cutting	1 0 0
3. Soap & Toilet	1 12 0
4. Subscription to the Union	0 4 0
5. Tea consumed in Mills	1 10 0
6. Education	1 0 0
7. Medicine	1 0 0
	8 10 0
TOTAL.	65 0 0

..... From such information as we have been able to obtain, it would appear that the bulk, or about 75 per cent., of the cotton mill workers in Rajasthan are vegetarians. Even so, we have allowed two seers of mutton per month for its high protein value. Those who do not spend this amount on mutton may spend it on vegetables or fats, in addition to the amount already shown in the budget. In regard to cereals included in the budget, the representatives of labour on the Committee have urged that, in some centres, only wheat and not the coarser grains are consumed and that since wheat is more expensive than the coarser grains, the cost of the budget will be higher. This criticism has a great deal of substance in it, because already, the workman's diet is meagre and he cannot be expected to change his age-long habits in regard to his staple. However, it must be remembered that this is a minimum budget for the whole of Rajasthan, and further that, according to the nutritional expert, wheat and the coarser grains have very nearly the same food-value. Moreover, we have found that in some centres of the industry, the workers also use, apart from wheat, a mixture of wheat and barley, called 'Guji' and wheat, barley and gram, called 'Bejhad'."

As regards house rent, the Committee observed:

"In proposing the figure of Rs. 4/8/- per month, we have been guided by the fact that in the principal centres of the industry, the Government of Rajasthan is constructing houses for workers, for which it is expected that a rent of Rs. 4 to Rs. 5 per month may be charged. This is our main justification for the figure which we have proposed."

6.9. It might be mentioned that the Report was subject to minutes of dissent by both the employers' and employees' representatives. According to the employers' representatives the cost of diet would be Rs. 37-2-6, clothing Rs. 5 and the total of the minimum monthly budget would come to Rs. 54. According to the employees' representatives the total cost of the hypothetical budget would come to Rs. 87* (food Rs. 57, house rent Rs. 5, clothing Rs. 8, miscellaneous Rs. 11 and contribution to the Employees' State Insurance Scheme and Provident Fund Scheme Rs. 6).

6.10. The Ajmer Cotton Textile Labour Enquiry Committee was also presided over by Shri S. R. Deshpande. It made its report on 31st October 1956. The Report was unanimous. This Committee made some variations from the figures given in the Report of the Rajasthan Cotton Textile Labour Enquiry Committee and worked out the cost of food, taking the average of prices for the period July 1955 to June 1956, to be Rs. 42, Clothing and Footwear Rs. 8, Fuel and Lighting Rs. 4, House Rent Rs. 3-8-0, Miscellaneous Rs. 8-8-0—Total Rs. 66. Referring to the deviations from the Report of the Rajasthan Committee the Committee observed:

"Firstly, we have reduced the quantity of mutton from 2 seers to 1 seer per month, in view of what we learnt during the evidence of the workers selected at random that not even 10 per cent. of the workers were non-vegetarians. We, therefore, felt justified in reducing the quantity of mutton from 2 seers to 1 seer per month on an average. However, to maintain the food value of the budget intact, we have substituted an addition of one seer of vegetables per month, and increased the quantity from 11 seers to 12 seers per month. We have also increased the expenditure on spices from Rs. 1/4/- to Rs. 1/12/- per month in the light of the data contained in the Beawar Family Budget Report and the personal experience of the Chairman."

6.11. With this historical retrospect we proceed to deal with the question of the practical application of the Resolution of the Tripartite 15th Labour Conference, referred to in paragraph 6.1 above. This Resolution was one to which representatives of employers' and employees' organisations were parties and Government was also a party. In the arguments before us by the employers it was never urged that this Resolution should not be given weight to by the Board. Though it is not referred to in our terms of reference, it has to be borne in mind by all wage fixing authorities. It lays down standard norms for calculating a need-based wage. The "minimum wage" referred to in the Tripartite Resolution has no connection with the minimum wages prescribed under the Minimum Wages Act. It is not a subsistence wage. It is the lower limit of a fair wage. Workmen should not get a wage less than this unless the industry has not the capacity to pay that wage or for other good reasons the wage is not feasible. The Employers' Representatives on the Board would like to make it clear here that, in their view, the Resolution of the 15th Indian Labour Conference should be given no more weight than the other factors specified in the Fair Wages Committee's Report, for arriving at a fair wage.

*In the Report the figure is given as Rs. 91/-, but this appears to be a clerical mistake as the total of the figures for food, rent and other items amounts to Rs. 87/-.

6.12. The wage structure generally adopted by Adjudicators consists of a basic wage fixed with reference to the cost of living of an earlier year, often the pre-war year 1939, and dearness allowance intended to cover the rise in cost of living. Dearnness allowance is awarded on a fixed scale or a slab scale or a scale linked to the cost of living index number. As in other industries, so in the Cement Industry the basic wage is fixed and to this dearness allowance is added according to a variety of systems. In a number of cases the dearness allowance is linked to the official consumer price index of the nearest centre having an index. In the cement centres, with the exception of Dehri-on-sone and Surajpur, there are no official cost of living indices or consumer price indices. The consumer price indices of places to which the dearness allowance is linked in certain cement centres were prepared many years ago and are out of date. At present the National Sample Survey is making family budget inquiries at various centres, but it will take considerable time before the results of that survey are available and before cost of living indices or consumer price indices are maintained on a fresh basis. The National Sample Survey has selected the larger centres of population, and cement centres which are situated mostly in rural or semi-rural areas are not included in the Survey. For most of the cement centres there are no official publications which give the retail prices of foodstuffs, etc. In the Questionnaire issued by us, we had asked employers and the Unions to give their estimates of the cost of living of a family of 3 consumption units according to the norms accepted at the Fifteenth Session of the Tripartite Labour Conference and taking the average of the prices of January-March 1958 as the basis. This period was selected as the Questionnaire was issued in May 1958. The estimates given in reply to the Questionnaire showed very marked variations between the figures given by the employers and the Unions. There was also a great difference in the articles chosen in these sets of calculations. It was not possible for the Board to make even approximate calculations on the basis of information supplied by the employers and Unions. It was, therefore, considered desirable to have an *ad hoc* family budget survey for these areas, and this was done by the staff of the Board. Some of the staff selected had already some experience of socio-economic surveys and others who had not such experience were given rapid training under the Bombay Branch of the National Sample Survey. A schedule for the Family Budget inquiries was prepared by the Chairman of this Board. It is given as Appendix IV, to this Report. The investigators visited most of the cement centres and collected family budgets of about 5 per cent. of the workers drawing total emoluments up to Rs. 100 per month. The employees were selected by the recognised method of "random sampling (pay roll sampling)" and were questioned. The investigators collected also the prices of articles of food, clothing, etc., from different shops wherefrom the majority of workers bought their requirements. Prices were collected for the month in which the inquiry was conducted as well as the previous month and also, where reliable figures were available, for the period January—March 1958. Representatives of employers and employees were invited to be present at the time of collection of prices. The shopkeepers gave their figures from the records, and co-operative stores gave figures from their stock registers.

6.13. The budgets were then tabulated. Expenditure for the different items of food, clothing, etc. was calculated. Actual consumption figures for the different commodities comprising the diet were tabulated and the total consumption for each item under the head "cereals, pulses, etc." found out. These data were used for the purpose of determining the patterns of consumption of cereals, pulses, fats, etc., as well as the actual varieties consumed. The cost of the required quantities of these items for 3 consumption units according to the norms recommended by Dr. Aykroyd were arrived at according to the average of the prices recorded by the investigators.

6.14. As for food, the Resolution of the Fifteenth Labour Conference states that "minimum food requirements should be calculated on the basis of a net intake of calories recommended by Dr. Aykroyd for an average Indian adult of moderate activity." Dr. Aykroyd was at one time Director of the Nutrition Research Laboratories, Coonoor. At the laboratories, Dr. Aykroyd got a special enquiry carried out into the nutritive value of Indian food. The results of the enquiry were presented in Health Bulletin No. 23 which is sometimes referred to as Dr. Aykroyd's Health Bulletin. On account of its popularity, this Health Bulletin is now in its 5th edition and has been widely referred to and relied upon by wage fixing authorities.

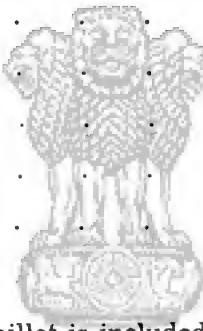
6.15. While the Resolution of the Fifteenth Labour Conference refers to the recommendation by Dr. Aykroyd in regard to the calory intake, it is not stated in the Resolution whether the balanced diet (Table II) or the improved diet (Table IV) appearing on pages 16 and 18 respectively of the aforesaid Health Bulletin should be adopted. The diet given in Table II is a non-vegetarian diet, and was not given in any addition of the Bulletin brought out by Dr. Aykroyd himself. Subsequently, in the revised Editions (the Fourth and Fifth Editions) brought out by Dr. V. N. Patwardhan, Director of the Nutrition Research Laboratories and Shri S. Ranganathan, Chief Chemist of the Nutrition Research Laboratories, Coonoor, Table II diet is given. It is stated in the revised editions that Table II diet is taken from the Report of the Nutrition Advisory Committee prepared in November, 1944. In the edition of the Bulletin brought out by Dr. Aykroyd himself it is shown how an ill-balanced diet could be improved to make it adequate and "well-balanced". The

improved diet comprises 2,590 calories, in round figures 2,600 calories, and is as follows:

	Oz.
Raw milled rice	10
Cambu (millet)	5
Milk	8
Pulses	3
Non-leafy vegetables	6
Leafy vegetables	2
Gingelly oil	2
Fruits	2

The composition of this diet is roughly given as follows:

Protein	73	gms.
Fat	74	„
Carbohydrate	408	„
Calories	2,590	
Calcium	1.02	„
Phosphorus	1.47	„
Iron	44.00	mgs.
Vitamin A (International Units)	over 7000	
Vitamin B (International Units)	over 400	
Vitamin C (International Units)	about 170.0	



Dr. Aykroyd goes on to say:

"In the well-balanced diet millet is included in addition to rice. No change in principle would be involved by the substitution of whole wheat (atta) for millet in the diagram. The addition of certain quantity of atta to diets based on rice is a desirable improvement..... This diet contains enough calories to supply the requirements of an average man. All the important food factors are present in sufficient quantities, with a 'fair margin of safety'. The chief cereal in both the 'ill-balanced' and 'well-balanced' diets is milled rice. If, however, the staple cereal is wheat or millet, the principle of balance between the cereal and the other elements in the diets applies equally."

6.16. Before the Bombay Textile Labour Inquiry Committee Dr. Aykroyd submitted a note laying down a minimum standard of daily intake of 2,600 calories for an adult man. He was further of the opinion that an allowance of 25 per cent. of the total cost of primary foodstuffs should be made for expenditure on sugar, condiments, etc.

6.17. The U.P. Labour Enquiry Committee (1946-48) which considered Dr. Aykroyd's recommendations observed:

"Dr. W. R. Aykroyd, one of the pioneers of this subject in India, suggested 2,600 calories for moderate work..... We find that the latter estimate is supported by the Sub-Committee of Nutritional Requirements, set up by the Nutrition Advisory Committee, Indian Research Fund Association, and accepted by them. While, therefore, we accept this standard, we find it difficult to give effect to it in our recommendations for two reasons: In the first place we could get no standard vegetarian diet fixed with reference to this calorific value. The above-mentioned sub-committee of nutritional requirements gives only a non-vegetarian diet with reference to this standard. A non-vegetarian diet is usually much dearer than a vegetarian diet, and can be hardly afforded by the workers at present..... We have for these reasons reconciled ourselves to a cheap vegetarian diet, given to us by Dr. Patwardhan, which provides 2,700 calories only."

6.18. In the Revised Edition of the Health Bulletin by Dr. Patwardhan and Shri Ranganathan, the changes made in the Improved Diet (the well-balanced diet of the original Dr. Aykroyd's Bulletin) are as follows:

	Ozs.		
Rice	9	Protein	73 gms.
Millet, Cumbu	5	Fat	73 ,,
Pulse	3	Carbohydrate	445 ,,
Non-leafy vegetables	6	Calories	2,795
Green leafy vegetables	8	Calcium	1.5 ..
Milk	4	Phosphorus	1.4 ,,
Fat and oil	2	Iron	60 mgs
Sugar or jaggery	2	Vitamin A (International Units)	5,000
		Vitamin B1 (Milligrammes)	1.5
		Vitamin C (Milligrammes)	100

It will be seen that sugar or jaggery is brought in, the quota of milk is reduced and the item of 2 ozs. of fruit disappears, but there are certain additions which increase the calories from 2,590 to 2,795. On the whole, this appears to be an improvement on the "improved diet" proposed by Dr. Aykroyd, and we have made calculations on the basis of this diet, but taking cereals and other items according to the local pattern of consumption, and after adding salt and condiments. The calories are brought up to 2,850, thus providing a net intake of 2,700 calories, that is to say, allowing for about 150 calories being wasted in cooking, cleaning, etc. The weights and amount of salt and condiments have been taken as recommended by Dr. Radha-krishna Rao, Nutrition Expert with the Government of Bombay.

6.19. It has been a subject of controversy whether the intention of the Fifteenth Labour Conference was to recommend a diet according to the Table II or Table IV of the Health Bulletin. On inquiry being made, it is ascertained that the question whether Table II diet or Table IV diet should be taken as the norm was not discussed at the Conference. But in the Agenda papers which were circulated to the delegates to the Fifteenth Labour Conference, we find the following:

"The opinions expressed by Dr. Aykroyd have usually carried weight with the wage fixing authorities. Dr. Aykroyd has prescribed dietary standards at two levels the optimum level and the adequate diet level. An optimum diet, according to him, is one which ensures the functioning of the various life processes at their very best; whereas an adequate diet maintains these processes, but not at their peak levels. The optimum diet would include more of vitamins and less of proteins in its caloric content, while the adequate diet would include more of proteins and less of vitamins. Thus, the optimum diet would include more of fruits and fresh vegetables than the adequate diet. For the purpose of minimum wage determination, the worker and his family might be provided with food to correspond to the adequate diet which has been recommended by Dr. Aykroyd for the Nutrition Advisory Council: (This is composed of cereals 14 ozs., pulses 3 ozs., vegetables 10 ozs., milk 10 ozs., sugar 2 ozs., oil and ghee 2 ozs., fruits 2 ozs., fish and meat 3 ozs., and egg 1 oz.). The quantitative requirements of food are estimated in terms of heat units or 'calories'. On broad terms, Dr. Aykroyd has estimated the caloric requirements of man doing moderate work at 3,000 and a man doing very hard work at 3,600. Similarly, a woman doing moderate work would require 2,500 calories and a woman doing hard work would require 3,000. In view of the somewhat lower metabolism of Indians, Dr. Aykroyd has considered a net intake of 2,700 calories to be adequate for an average Indian adult of moderate activity."

6.20. It might be mentioned that the particular diet referred to in this quotation closely approximates to Table II diet in the Health Bulletin. As stated above, the

Resolution, as it emerged from the Conference, makes no reference to the particular diet mentioned in the Agenda papers. It can, therefore, be argued that if the Conference had in mind the particular diet referred to in the Agenda papers, it would have been so specified in the Resolution, and that it is unlikely that the Conference could have had in view a non-vegetarian diet as the standard for a minimum wage. It is known that a non-vegetarian diet is much more expensive than a vegetarian diet, and Tribunals and Committees (e.g., the Bombay Textile Labour Enquiry Committee and the U.P. Labour Enquiry Committee) have calculated costs of diet for a working class family on the basis of a cheap vegetarian diet. On the other hand, it can be urged that the diet referred to in the Agenda papers of the Conference was the one that the Conference had in view, and that it was its intention to provide in the minimum wage for a diet that would keep the workman in a state of near maximum efficiency, and that a vegetarian diet could be worked out so as to correspond to Table II diet by substituting for the items of meat etc., a larger quantity of vegetarian items containing proteins so as to make up for the protein deficiency that would be caused by the exclusion of meat, etc. It seems to us that it is unnecessary to pursue this discussion. We are relieved of the necessity of giving a definite opinion on this controversy for the following reasons. We have worked out the costs of the diet referred to as the "adequate diet" recommended to the Nutritive Advisory Council and appearing in the Agenda papers, as well as Table II diet of the revised Edition of the Health Bulletin. Both these diets cost so much more than in the existing economic conditions of the country, and particularly in the case of the Cement Industry in which the price is controlled by Government in the interests of the consumer and in the interests of national development, it is not feasible to fix the minimum wage on the basis either of the particular diet referred to in the Agenda papers of the Conference or the diet referred to in Table II of the Health Bulletin. A course that might be open to us is to take a figure somewhere between the cost of the Table II diet and the Table IV diet, so as to provide for something more than Table IV diet. But even taking Table IV diet as the basis, the minimum wage according to the norms laid down by the Fifteenth Labour Conference is so much higher than the existing wage in most centres of the Cement Industry that we think that this Wage Board should not recommend more than a minimum wage based on the Table IV diet. However, the Workers' Representatives on this Board disagree with the above-mentioned observations on diet and feel that Table II should be taken as the basis, but looking to the present circumstances of the Cement Industry and the existing emoluments of the workmen in the Industry, they agree to the minimum wage recommended by this Board.

6.21. Before leaving the subject of the choice of diet, we might mention that the family budget inquiries made by the staff of the Board reveal that in most parts of the country the diet is very unbalanced, and the provision of a minimum wage according to the improved diet will not necessarily mean that workers will go in for the right kind of diet if left to themselves. In this matter, intensive educative propaganda in respect of nutritious diet may be useful. But a better wage than that given in the cement factories at present would have an effect in influencing the consumption of the more valuable "protective" foods. As observed by Dr. Aykroyd at page 18 in his pamphlet on Nutrition, published by the Oxford Press:

"In low-income groups the percentage of total income spent on food is high, usually between 50 per cent. and 70 per cent., so that even a small increase in the price of food may influence consumption. Percentage expenditure on food falls as income rises. There is normally a rise in the consumption of non-cereal foods—e.g., milk, vegetables and fruits—with increasing income and a corresponding decrease in the percentage of total calories obtained from cereals. This means that, in India as in other countries, increase in income leads to an improvement of diet in the right direction. It follows that an increase in the material prosperity of the country—a rise in the national *per capita* income—will *per se* tend to improve standards of nutrition and with these the health of the population. Not that those who can readily afford to purchase a good diet invariably do so. Prejudice and ignorance may operate in the opposite direction. It has been observed, for example, that among ignorant and primitive groups, e.g., aboriginal tribes, an increase in prosperity may scarcely influence the consumption of the more valuable 'protective' foods. Middle class families may consume smaller quantities of leafy vegetables, which are a cheap and nutritious article of diet, than poor families. But the general tendency is there, indicating the close interdependence between food consumption levels and economic conditions."

6.22. The budgets collected by the investigators were scrutinized in the light of the criticism and arguments advanced and statements filed at the public hearings. The Chairman of this Board went through each and every budget, and rejected those which appeared to be exaggerated, or which for other reasons were not truly representative of a working class family's expenditure. From the accepted budgets, the following calculations of the cost of the "Improved Diet" for the various centres have been arrived at by the Board. We have not given the figures for all centres as, in addition to the fact that the large majority of budgets in certain centres were

not reliable, there is a further complication that in such centres the period was one of violent fluctuation in local prices, and reliable price data could not be collected.

State	Names of Cement Centres	Cost of improved diet on the basis of pattern of consumption as shown in the accepted budgets	Months for which calculations made in column 3	Rs.	1	2	3	4
					1	2	3	4
Andhra	Bezwada (Andhra Cement Co.) Kistna (A.C.C.)	59.27 59.10	September 1958 Do.					
Bihar	Khalari (A.C.C.) Dalmianagar (Rohtas Industries & Ashoka Cement Co.) Banjari (Kalyanpur Lime & Cement Works) Japla (Sone Valley Portland Cement Co.)	62.36 58.85 59.51 55.77	October-November 1958. January 1959. November-December 1958. December 1958.					
Bombay	Dwarka (A.C.C.) Porbandar (A.C.C.) Sikka (Shree Digvijay Cemeno.) Sevalia (A.C.C.)	66.20 63.49 61.47 64.67	August-September 1958. September 1958. August-September 1958. June-July-August 1958.					
Madras	Madukkarai (A.C.C.) Dalmiapuram [Dalmia Cement (Bharat) Ltd.] Talaiyuthu (India Cements Ltd.)	58.96 55.43 63.53	September-October 1958. July-August 1958. September-October 1958.					
Madhya Pradesh	Kymore (A.C.C.)	58.90	December 1958.					
Mysore	Shahabad (A.C.C.) Bagalkot (Bagalkot Cement Co.)	60.65 55.01	September 1958. January to March 1959.					
Punjab	Bhupendra (A.C.C.) Charkhi-Dadri (Dalmia Dadri Ltd.)	60.18 62.53	Do. January-February 1959.					
Rajasthan	Sawaimadhpur (Jaipur Udyog Ltd.) Lakheri (A.C.C.)	61.48 60.07	October-November 1958. Do.					
Uttar Pradesh	Churk (U. P. Govt. Cement Factory)	59.34	December 1958.					

6.23. It might be mentioned that as the enquiry made by the investigators naturally took time, they were not able to cover all centres at the same time. The months for which the prices were collected have been given above.

6.24. Taking into consideration the calculations made on the basis of the family budget inquiries, the price statistics collected and the movement of the All India Consumer Price Food Index, we estimate the cost of the "Improved Diet" for three consumption units at level of prices prevailing at present to be about Rs. 61 in the regions where cement centres are situated except the Gujarat and Saurashtra region of Bombay State where we estimate the cost to be higher. This may be compared with the figure arrived at by the All India Industrial Tribunal (Colliery

Disputes). That Tribunal had before it a great deal of evidence regarding the cost of living of three consumption units and it came to the following conclusion:—

“Considering all the materials available in the case and in the light of the above discussion, we think that a sum of Rs. 50 would be a proper estimate of the food required by a family of three consumption units and we are satisfied that the workers can have a balanced diet within that amount. We may add here that the figures would not be very much different from what we have fixed as the cost of food had we taken Dr. Aykroyd's Rs. 5 for the vegetarian diet and assessed its cost in relation to the present day prices.”

The Tribunal gave its Award in May 1956. The All India Consumer Price Food Index (base 1949) for the months of April and May 1956 was 103. For the month of May 1959 (which is the latest available at the time of writing this Report) this index was 121. Taking the rise into consideration the expenditure on food for three consumption units on the basis of the Collieries Award at the prices of May 1959 would come to about Rs. 59. It may also be mentioned that the Two-Man Committee on Wages and Dearness Allowance for the former State of Hyderabad estimated the cost of a balanced diet for 3 consumption units at the level of prices prevailing in Hyderabad City during the period August 1955—July 1956 to be Rs. 50-7-7. The average of the Consumer Price Food Index for Hyderabad City for that period was 113. For the month of May 1959 the Consumer Price Food Index for Hyderabad City was 138. The cost of the diet at the prices prevailing at present in Hyderabad City would, therefore, come to about Rs. 61. It is, however, necessary to state that the balanced diet adopted by the Two-Man Committee was not that recommended by Dr. Aykroyd but one worked out by the Committee on the basis of local inquiries and in the light of the advice of the Nutritional Expert to the Government of India.

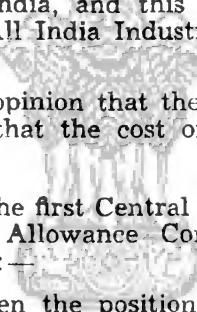
6.25. We now come to the calculations with regard to the cost of clothing. The budgets prepared by the investigators were scrutinised to find out the type of clothes the workers and their families wear. Then, 72 yards were allocated for a family consisting of a man, woman, boy and girl according to the pattern of clothing as shown by the budgets. The average prices recorded by the investigators for varieties of cloth generally used by workers were taken and the cost of clothing of 72 yards was worked out. The following illustration shows how the calculation of the cost of clothing on the basis of 72 yards of cloth for a working class family at Churk, where the U.P. Government Cement Factory is situated, has been worked out:

	Yards	Average Cost	Total Cost
		Rs.	Rs.
<i>Man</i>			
3 shirts of $2\frac{1}{2}$ yds. each .	.	7.5 0.91 per yard	6.82
2 dhoties of $5\frac{1}{2}$ yds. each .	.	10 4.88 per dhoti	9.76
2 pyjamas of $2\frac{1}{2}$ yds. each .	.	5 0.88 per yard	4.40
		<hr/>	<hr/>
		22.50	
<i>Woman</i>			
3 sarees of $5\frac{1}{2}$ yds. each .	.	17.25 4.19 per saree	12.57
3 blouses of $1\frac{1}{2}$ yds. each .	.	3.75 1.00 per yard	3.75
2 petticoats of $2\frac{1}{2}$ yds. each .	.	4.50 .88 per yard	3.96
		<hr/>	<hr/>
		25.50	
<i>Children</i>			
<i>Boy</i>			
4 shirts of 2 yds. each .	.	8 0.91 per yard	7.28
4 pants of $1\frac{1}{2}$ yds. each .	.	6 1.50 per yard	9.00
		<hr/>	<hr/>
		14	
<i>Girl</i>			
4 frocks of $1\frac{1}{2}$ yds. each .	.	6 1.00 per yard	6.00
4 underwears of 1 yd. each .	.	4 .88 per yard	3.52
		<hr/>	<hr/>
		10	67.06
Cost of clothing for year .			
Stitching charges .			
		<hr/>	<hr/>
		TOTAL	Rs. 81.06

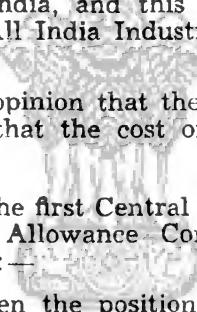
Cost per month for 3 consumption units about Rs. 6.75.

6.26. The calculation of house rent according to the standard adopted at the 15th Labour Conference presented difficulties. We were informed at Sawai Madhopur that the rent for houses constructed under the Government subsidised housing scheme was Rs. 10 per month. At a large number of centres, houses have not been constructed under the Government scheme. The rent corresponding to the minimum area provided for under the Government Housing Scheme has to be taken into consideration. The Government Housing Scheme, revised up to date, indicates that the minimum area of a one-room tenement is 220 sq. ft. and of a two-room tenement 331 sq. ft. in a multi-storeyed building and 396 sq. ft. in a single storeyed building. Actual rents, when houses have not been constructed under the Government subsidised Industrial Housing Schemes, have been found to vary from Rs. 3 upwards, but they are not of the standard pattern. It has to be noted that where houses have not been constructed under this scheme, houses of the area prescribed according to the Fifteenth Labour Conference standard are not available on rent. Workers who are not provided with houses live in their houses or those of their relations in villages in the neighbourhood of the factories. We think, having regard to all the circumstances, that on an average Rs. 7/50 would be a fair figure to take as rent corresponding to the minimum area provided for under the Government Housing Scheme. The Labour Appellate Tribunal in the case of the Buckingham and Carnatic Mills calculated the house rent on the basis of pre-war prices to be Rs. 4. In the calculations submitted to us by a number of Cement employers, house rent is taken to be Rs. 2, which cannot be accepted as the figure representing the rent at which housing accommodation could be obtained at the cement centres. It might be mentioned that the Kalyanpur Lime and Cement Works Ltd. has in its calculations taken the house rent to be Rs. 6.

6.27. The item of "miscellaneous" has been calculated at 20 per cent of the total. It may here be noted that in the family budgets it was considered necessary to take down the detailed expenditure on miscellaneous items, both with a view to have some idea of the actual miscellaneous expenditure, and also as a general check to see whether the budget was reliable or exaggerated. The family budget calculations seem to indicate that there are not great variations in the cost of living as between different regions in India, and this is in accord with the views of Committees and Tribunals. The All India Industrial Tribunal (Colliery Disputes) stated in its Award:

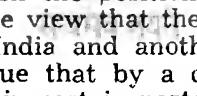

"We ourselves are of the opinion that the conditions existing today would not justify the view that the cost of living differs very much from area to area."

The Tribunal quoted the views of the first Central Pay Commission which was cited with approval by the Dearness Allowance Committee, known as the Gadgil Committee. They were as follows:—


"Whatever might have been the position in the past, conditions existing today do not justify the view that the cost of living differs very much between one part of India and another, apart from particular cities. But it seems to be true that by a continued tradition, standards of living are much lower in certain parts of the country than elsewhere."

6.28. Shri Dudhia, who appeared for the Indian National Cement Workers' Federation relied on those views of the above-mentioned authorities and urged before us that there should be uniform scales of basic wage in cement factories for the whole of India. He further urged that the cost of living in different regions does not vary so much as to justify the existing differences in dearness allowance.

6.29. On the materials before us, we have come to the conclusion that the minimum cost of living in any of the cement centres for a family of 3 consumption units according to the standard laid down by the Fifteenth Tripartite Labour Conference and taking into consideration prices prevailing at present would be as follows:—


Rs. 61 for food
Rs. 6/75 for clothing
Rs. 7/50 for rent
Rs. 18/81 for miscellaneous (20 % of the total)
Rs. 94/06

In round figures, the estimate of the expenditure comes to Rs. 94. This includes expenditure on amenities which are provided by employers and therefore an appropriate deduction is necessary about which we shall have more to say later. There is, however, one region where cement factories are situated and where there are circumstances justifying a wage higher than this minimum. It is well known that the cost of living and standard of living in Bombay State are relatively higher than in the other States of India. This is reflected in the higher wages in this State given by Awards. Furthermore, in Bombay State, the region comprising Gujarat and Saurashtra is the costliest and the figures given in paragraph 6.22 above in respect of cost of food for 3 consumption units also reflect the comparatively

higher cost of living in this region. The Royal Commission on Labour which made its Report in 1931 stated as follows:—

“Wages are lowest in Madras, the C.P. and the U.P., the provinces to the East of this group, namely, Bengal, Bihar and Orissa, have a higher level and so have those to the West, namely, the Punjab and Bombay. Bombay comes first of the Indian Provinces, while Burma has a still higher level.”

The U.P. Labour Enquiry Committee 1946—48 after quoting this observed:

“Our own analysis is more or less in conformity with the above findings. The exceptions in case of cotton and jute are, however, important and, perhaps, point to the trend towards levelling of industrial wages as between different industrial centres.”

Improvement in communications has tended to level the differences. Wages in Madras State are no longer the lowest. The dearness allowance in the cotton textile industry in Madras State has been linked to the Madras and Coimbatore costs of living index for which the base year is 1935-36. These indices have gone up and the wages linked to them have also correspondingly gone up and have to some extent influenced the wages in other industries in the region. However, wages and cost of living in Bombay State continue to be the highest.

6.30. We are of the opinion, having regard to the higher standard of living and cost of living in the Gujarat and Saurashtra region of Bombay State that the minimum fair wage in this region should be Rs. 101, i.e., more by Rs. 7 than in other cement centres. The factories already in production in this region are located at Sevalia in Gujarat and Dwarka, Sikka and Porbandar in Saurashtra.

6.31. The Workers' Representatives on this Board are of the opinion that a higher wage than what we have determined for the other factories in the respective regions should be given to the employees of the factories and quarries at Madukkarai and Sevalia having regard to the existing wage and dearness allowance paid to the workmen in these two cement centres and the wages prevailing in the textile industry in the regions. The other Members of the Board do not agree with the views of the Workers' Representatives on this point. We have determined for the Sevalia factory (and the other factories in the region) the higher minimum wage of Rs. 101 per month. We think the difference of Rs. 7 per month is adequate to meet the higher cost of living in this region. As for the Madukkarai factory, our investigations have shown that the cost of living is among the lowest of all the cement centres. Since we are fixing a need-based wage for all cement centres on the formula of the 15th Indian Labour Conference, the fact that high wages are already being paid at Madukkarai and Sevalia cannot be used as an argument to support still higher wages. Finally, the argument that the textile industry is paying higher wages can be met by citing the lower wages paid by other industries in the same region. Moreover, the prices received by the textile mills are not controlled, unlike the control on the retention price paid to the manufacturers of cement.

6.32. In Chapter V we have dealt with the subject of the productivity of labour in the Cement Industry. Here we might add that it is justifiable to assume that an improvement in wages would have some favourable influence on the productivity of labour. As was observed by Adam Smith in the Wealth of Nations (Edition by Prof. Edwin Cannan, p. 83):

“The wages of labour are the encouragement of industry, which, like every other human quality, improves in proportion to the encouragement it receives. A plentiful subsistence increases the bodily strength of the labourer, and the comfortable hope of bettering his condition, and of ending his days perhaps in ease and plenty, animates him to exert that strength to the utmost. Where wages are high, accordingly, we shall always find the workmen more active, diligent, and expeditious, than where they are low.”

6.33. In the case of the Indian engineering, textile and coal mining industries, workers enjoying better diets have been reported to be more productive than those whose nutritional standards are lower (Radhakamal Mukerjee—The Indian Working Class, page 274). An increase in wages is likely to result in an increase in efficiency. It is true that the effects may be gradual, but the tendency would be in that direction.

6.34. Another point that may be considered here is that higher wages may stimulate employers not only to explore economies but improve organisation and technique. In the book “Wages in Practice and Theory” by J. W. F. Rowe, the writer urges that the toning up of wage rates may stimulate employers to improve their methods of organisation and technique. Professor Pigou in his ‘Economics of Welfare’ (Fourth Edition) at page 593, after quoting Rowe, observed:

“The extent to which this kind of reaction occurs must depend on how far, in different industries, the best known practice is already adopted by the main body of the employers there and on the openings that there are for bettering that practice. But some favourable reaction

may be looked for not infrequently. As a result of it, the marginal net product of any given quantity of labour of given capacity will be indirectly raised, and the national dividend *pro tanto* enhanced; just as it will be if increased wage rates lead to an improvement in the work-people's capacity in the manner described in the chapter that follows."

And Dr. Nigam in his book, 'State Regulation of Minimum Wages', says:

"Investigations of several trades in England showed that in many trades after the fixation of Trade Board rates, employers themselves admitted that they had improved their methods of production and consequently their output had increased without any increase in the cost of production. In India, where there is ample scope and possibility for increasing the efficiency of workers as well as of employers, we can safely hope that a rise in wages will lead to an increase in output."

6.35. It has, however, to be borne in mind that both improvement in labour productivity in consequence of improvement in wages and steps by employers to improve the methods of production, where there is scope for it, would take time, while a rise in wages becomes an immediate liability. We, however, hope that all possibilities of economy will be explored by employers.

6.36. We now come to the question of the minimum wage for women workers. The Fair Wages Committee was of opinion that the adoption of a different method of calculation in the case of women engaged on work done exclusively by them does not infringe the principle of "equal pay for equal work", for it can then no longer be said that the wage earned by a woman is lower than that earned by a man for the same or similar skill. The Committee was further of the view that when women are admittedly less efficient than men, there is every justification for calculating minimum and fair wages on the basis of the requirements of a smaller standard family in the case of a woman than in the case of man.

6.37. The All-India Collieries Tribunal which gave its Award in May 1956 took the view that it was reasonable to provide for 2.25 consumption units in the case of women workers employed in manual work, which would result in women workers earning about 75 per cent. of the wage paid to men workers, in consonance with the then prevailing practice in the Coal Industry.

6.38. The Labour Appellate Tribunal reversed this decision in appeal and observed:

"We fail to see the distinction. In effect for the same work the females are to get less. Labour has strongly protested against this alleged discrimination..... As regards the finding that the requirement of a female worker, according to the needs should be limited to 2.25 units as against 3 consumption units of a male worker, we think that such an allocation is contrary to principle and fact..... It is lastly mentioned by the Tribunal that special amenities such as maternity benefits, provision for creches, etc. should make up for the difference between 75 per cent. and 100 per cent. Comment is futile on arguments of this character; these women are the mothers of the nation; and the observations of the Tribunal have validity only if we accept the implied suggestion that female workers are in a state of perpetual maternity or their children permanently in creches..... We have no hesitation in coming to the conclusion that the time has been reached when the female worker is entitled to receive the same wages as the male worker for the same class of work, unless it can be shown that her output is demonstrably lower than that of the males..... We, therefore, set aside the decision of the Tribunal awarding only 75 per cent. of a man's wage to a woman worker who is doing the same work, and direct that for the same category there should be no disparity between the male and the female workers as to wages."

6.39. The Labour Appellate Tribunal thus endorsed the principle that a woman worker should get the same wage for the same class of work unless it could be shown that her output was demonstrably lower than that of a male worker. In answer to our Questionnaire, it was ascertained from the various employers that the only jobs in the Industry on which women are exclusively engaged are those of avahs, creche attendants, midwives and nurses. In these few exclusive jobs, therefore, the adoption of separate wage scales would not infringe the principle of "equal pay for equal work".

6.40. The bulk of women employees in the Cement Industry, however, are employed in the quarries and on loading and unloading jobs, alongside their men folk. In the case of these women workers the opinion of the employers is divided. Some have categorically stated that they do not favour any differentiation between men and women workers doing the same or similar type of work and that women workers are just as efficient. Other employers have contended that the output of women workers is definitely lower than the output of men workers working on the same jobs, and, therefore, a lower wage to women is justified.

6.41. On the material before us, we are not satisfied that the output of women is lower than that of men in occupations where both are employed on the same type of work. We agree with the Labour Appellate Tribunal that the time has been reached when the women workers are entitled to receive the same wages for the same class of work, unless it can be shown that their output is lower than that of men workers.

6.42. For the foregoing reasons we have come to the conclusion that women should be paid the same wage as men wherever they are employed on the same type of work. In the few occupations in which women perform jobs in which women are exclusively employed, no distinction in the wage appears necessary in view of the small number involved.

6.43. It will be convenient at this stage to consider the extent to which the wage structure in other industries should be taken into consideration in determining the wage structure for the Cement Industry. The employers have laid great stress on the observations on this point in paragraph 24 of the Fair Wages Committee Report, which are as follows:—

“The wages board should also be charged with the duty of seeing that fair wages so fixed for any particular industry are not very much out of line with wages in other industries in that region. Wide disparities would inevitably lead to movements of labour and consequent industrial unrest not only in the industry concerned but in other industries.”

These observations cannot be taken to justify, in the case of a major industry, like the Cement Industry, a wage less than the minimum wage according to the standard laid down by the 15th Tripartite Labour Conference. In Appendix V to this Report, we have given for comparison available figures of the minimum wage and dearness allowance in other important industries and concerns in the regions where the cement factories are situated. It will be seen from this that in many of the cement centres, the minimum wage according to the standard laid down by the 15th Tripartite Labour Conference comes to a level which is higher than the existing scale of wages in a number of other larger concerns in the region. It may be noted that the Fair Wages Committee also observed in para. 19 of its Report, “In countries where the bargaining power of labour is strong and the wages paid in at least some industries or sectors are adequate, the method of comparison with the prevailing rates of wages is sound, but in countries like India where labour has until recently been weakly organised, such a process can only mean the comparing of one unsatisfactory rate of wages with another equally unsatisfactory rate”. The Fair Wages Committee went on to quote the U.P. Labour Inquiry Committee which had come to the conclusion that the principle of comparison with the prevailing rates of wages was inapplicable to Indian conditions since low wages levels were as much characteristic of the so-called organised industries as others. We cannot, therefore, attach much importance to wages which now prevail in other industries where they are low or fall short of the minimum fair wage according to the standard laid down by the 15th Tripartite Labour Conference. Besides it has to be borne in mind that comparison with wage rates in other industries is of limited application in the case of a major and basic industry like the Cement Industry, the wage rates in which should influence the level of wages in other industries. The Employers' Representatives on the Board do not agree with the view that much importance should not be attached to wages which prevail in other industries where they fall short of the standards set by the Indian Labour Conference Resolution.

6.44. Questions relating to the capacity of the industry, the extent to which amenities given in the cement factories should be taken into consideration in calculating the money wage, whether the increase should be phased where it is too high, and whether new units and loss-making units should be permitted to pay a lower wage for some period, will be dealt with in subsequent chapters.

CHAPTER VII

BENEFITS AND AMENITIES

7.1. In this Chapter we propose to deal with the benefits and amenities given by the various cement companies to their workmen and the extent to which the benefits should be valued in working out the wage.

7.2. The Associated Cement Companies Ltd., in its reply to the Questionnaire has given the following particulars of benefits and amenities. It has properly planned and well laid out residential colonies adjacent to the Works, serviced with electricity, flush sanitation and water. No rent is charged. As most of the employees at the factories and quarries are drawn from villages it has started, at many of its Works, village improvement schemes to give guidance, technical skill and know-how. Through demonstration farms improved methods of cultivation have been effected for rice, jowar, sugar-cane, bananas, cotton and various types of vegetables. Considerable work has also been done in the way of constructing approach roads, manure pits, digging of irrigation and drinking water wells. The Company has well equipped hospitals with separate male, female and maternity wards and operation theatres. They are staffed by competent doctors. There are working arrangements with the nearest big hospitals for specialised treatment and surgical operations. Doctors are periodically deputed to participate in post-graduate refresher courses. The Employees' State Insurance Scheme has so far been applied only at two factories. In both these cases, the Employees' State Insurance Corporation requested the Company that its medical establishment should be integrated with the Government scheme and the Company agreed. Two pilot projects of family planning with modern clinics have been started under professionally qualified lady doctors and health visitors. At all except three factories schools upto the secondary school standard are maintained where education is provided free to the children of employees. These schools are recognised by Government. The children are taken periodically to places of historical importance or places of interest under a subsidised scheme. A welfare and benefit fund has been instituted from which interest-free loans and *ex gratia* payments are made to lower paid employees to help them when they have unforeseen expenditure. Club houses with playgrounds have been built for employees and their families. In some places cinema houses and swimming pools have been constructed. Canteens, creches and rest halls are provided. At the canteen meals are supplied below cost as all overhead charges are absorbed by the Company. The formation of Employees' Cooperative Societies for employees has been encouraged. At most Works these societies have taken over the running of grainshops and stores which sell household articles. Some of them have started dairies for the supply of pure milk. The total expenditure on medical benefits in respect of 13 factories (including Employees' State Insurance Scheme contribution where the scheme is applicable) is shown to be Rs. 13,57,865 and the expenditure on education in respect of 11 factories Rs. 3,05,038.

7.3. We have visited quite a number of cement factories of the Associated Cement Companies Ltd. The housing facilities are not given to all workers. We give some particulars about a few of the factories which we visited. The arrangement varies with each factory. At the Kymore factory, which is one of the largest of the Associated Cement Companies' factories, 48 per cent of workmen are provided with quarters, and those not given quarters are given house allowance. The houses are of modern design, fitted with electric light, water and sanitary conveniences. To look after the sanitation a large number of sweepers is engaged. Grain is supplied at a concession rate and the concession is valued at about Rs. 3.15 per worker per month. Milk is supplied to children below 18 months at the creche, and free clothes are provided for the children there. At the Chaibasa factory housing is given to 819 out of a total of about 1940 workmen (including workmen at the quarry). The workmen who are housed are mainly workers at the factory. Rice upto a certain quantity is supplied at a fixed rate. This concession is valued at Rs. 3.58 per worker. In the Lakhari factory and its attached quarries there are about 2,400 workmen excluding an average of about 120 employed through contractors. About 950 are provided with pucca quarters, while about the same number reside in tapris (kutcha huts) built many years ago by workers with stores and scrap material supplied by the Company. The tapris are insanitary and unsatisfactory. The employees residing there are treated as having no quarters and are given house allowance. About 500 workers live in nearby villages and come to work from there. Grain is supplied at a concession rate and the concession is valued at Rs. 5.80 per worker. At the Sindri factory there are about 433 employees. All skilled workers are housed; only 40 unskilled workers are housed. At the Dwarka factory there are 1028 workers at the factory (excluding 163 engaged through contractors). Housing is provided for 266 workmen. Those who are not housed are paid rent allowance of Rs. 2.

7.4. Dalmia Cement (Bharat) Ltd. maintains a hospital at Dalmiapuram for workmen and their families. The number of employees at the factory is about 1400

and at the quarry about 1100. About 50 per cent of the workers are housed by the Company, some in pucca houses and others in huts with pucca flooring and with walls but with a thatched roof. Electricity is supplied free to all the houses including the huts. There is a combined primary, middle and high school run by the Company. School fees are according to Government regulations. The Company, however, gives some concession by way of scholarships to workmen who have more than one child, as also to Harijans. At the hospital workmen and their families are treated free. In serious cases patients are sent to Tiruchirapally Government Hospital. Expenses of such workmen sent to Tiruchirapally Hospital are not borne by the Company, except in cases of treatment on account of accidents. At the canteen things are supplied on no profit, no loss basis.

7.5. Orissa Cement Ltd., engages about 800 workmen at the factory; about 1,000 are employed at the quarry, and of them about 468 are employed by the Company and the rest through contractors. About 131 workmen at the quarries are supplied with quarters. Rents for these quarters are charged and vary from Rs. 4 to 5 in the case of single room tenements. It was stated that under an Award the rent is reduced to Rs. 2.50 and the matter is under appeal. There is no housing arrangement for mazdoors working in quarries, but about 1.0 houses are provided for the higher category of workers employed direct by the Company. Mazdoors live in their villages 3 to 4 miles away. There is a hospital near the factory for the workers of the cement factory as well as the Refractory owned by the Company which is very near the cement factory. The school building is constructed by the Company, but the school is run by Government and workers' families have to pay fees for their children attending school. For the families working in quarries there is no school. On behalf of the Company it was stated that a school with lower primary classes was started but there was no response except for the first one or two days. Even toffee was given free to induce children to come. It was further stated that the majority of workers at the quarry are Adivasi Christians, and they prefer a Christian managed school, and this, in part, explains why the school run by the Company had to be closed. It was, however, stated on behalf of the management that another attempt would soon be made to start a primary school. There is a canteen at the factory, but none for quarry workers. A plan for canteen has been sent to the Inspector of Mines for approval. Shri Jaidayal Dalmia, the Chairman of the Company stated to us, "Canteen is a bad thing. They are only for show. Workers spend unnecessarily socially saving less for their families. They are now getting habituated to tea".

7.6. The Sahu Jain group of Companies have not in their replies to the Questionnaire answered question 37 relating to the cost of benefits, but at the hearing statements were filed on behalf of Rohtas Industries Ltd. and Jaipur Udyog Ltd. In a statement filed by Rohtas Industries Ltd., the cost of State Insurance Scheme and other sickness benefits per unskilled workman is shown at Rs. 5, and of education Rs. 1.58, subsidised fuel at Rs. 4.37, free electricity (including electricity duty) at Rs. 2.19. It is stated that the cost position would be more or less the same for the Ashoka Cement Ltd. and Sone Valley Portland Cement Company Ltd. In a statement filed by Jaipur Udyog Ltd., the money value of Employees' State Insurance Scheme contribution and other sickness benefits is given as Rs. 3.56 per unskilled worker, Rs. 1.75 for free light and water, Re. 1.00 for free education, Re. 1 for free grinding. It is not shown how these calculations have been made.

7.7. According to a statement furnished by the management when we visited Dalmianagar it is shown that at the factory of Rohtas Industries Ltd. 488 workmen are employed, of whom 76 are provided with quarters. For Ashoka Cement Ltd., the statement shows that there are 235 workmen of whom a few are provided with quarters. Some of the quarters which we saw were satisfactory, but the condition of some others was not satisfactory. Hospital arrangements appeared to be satisfactory and are common for the staff of the other factories such as sugar, vanaspati, etc., but a fact to be noted is that the Company's doctors at the hospital are allowed private practice and are also allowed to run their own medical stores shop. There is a primary and secondary school run by the Company; as also an up-to-date canteen for the factory workers.

7.8. The Sone Valley Portland Cement Company Ltd. has, at its factory at Japla in Bihar, about 1,170 permanent workers, about 180 temporary workers, and about 220 contract labourers (including 115 temporary workers). For the factory staff are 333 one-room quarters with electric light, and a small number of two-room quarters with electric lights and water tap. House rent of Rs. 4 per month is given to workers not provided with quarters. There is a primary school for which no fees are charged upto the seventh class. There is a high school for which fees are payable. There is a well equipped canteen.

7.9. At the quarries of the Sone Valley Portland Cement Company Ltd. at Baulia and other places we were informed that there were about 1,609 employees of whom 572 were employed through contractors and the rest through "supply agents". There are about 498 quarters built by the Company, including quarters for sweepers, supply agents and shopkeepers. The quarters are for labour engaged by the Company direct. The Company's workmen supplied with quarters are given free every month, 4 cwt. of fuel or coal, whichever is available. There is a canteen at Baulia quarry. One middle school is maintained by the Company at Baulia quarry and one upper primary school at Chunpatta quarry.

7.10. At Sawai Madhopur where the factory of Jaipur Udyog Ltd. is situated there are about 2300 workers including temporary workers. The number of quarters is 862. Some more quarters are under construction. At the quarry of the Company at Phalodi which is about 18 miles from Sawai Madhopur there are 400 quarters constructed under the Subsidised Industrial Housing Scheme for which the rent is Rs. 10 for each of the quarters. There are in addition, at the quarry, 343 pucca single room tenements and 91 tin huts. Rent charged for pucca quarters varies from Rs. 3 to 5. There are also 500 "sirkee" huts. Out of about 1500 workers at the quarry in all about 1334 are given accommodation by the Company. At Sawai Madhopur the Company maintains a school at which free education is given to workers' children upto the eleventh standard. At the quarry the Company maintains a school at which free education is given upto the fifth standard. At the school in the factory there are 15 teachers and one headmaster. At the school at the quarry there are 6 teachers. For the benefit of children going to the school in the town the factory provides a bus. There is a well equipped hospital and dispensary run under the Employees' State Insurance Scheme. There is also an Ayurvedic dispensary for the needs of employees who believe in the indigenous system of treatment. There is also a hospital at the Phalodi quarry.

7.11. The India Cements Ltd. has about 750 permanent workers at its factory at Talaiyuthu and about 350 at its quarry. There are 140 quarters for factory workers but none for mazdoors. There are 80 temporary quarters thatched with palm leaves for quarry workers. There is a dispensary at the factory where free treatment is given to workmen and their families. The doctor in charge is the Surgeon of the Government Hospital and he sits at the dispensary in the evenings, but is available in an emergency. The Company maintains a school where education is free upto the Matriculation standard. There is also a Bala Vidyalaya maintained by the Company.

7.12. Ramkrishna Cements has stated that it has constructed 120 pucca hutments and almost all workers are accommodated in these hutments. No charge is made for housing or electricity. There is a dispensary at which there are a part-time doctor, a full-time compounder and nurse.

7.13. The Andhra Cement Company Ltd. has about 840 workers at the factory and about 320 at its quarry. It has stated that it has constructed single-room quarters for 101 workers under the subsidised Industrial Housing Scheme. The Company has provided free medical aid to workmen and their families, in addition to the Employees' State Insurance Scheme benefit for which Rs. 23,000 was subscribed by the Company in 1957. The Company maintains an elementary school in the workers' colony. Dresses (two pairs) are provided for about 450 workers.

7.14. Shree Digvijay Cement Company Ltd. has at its factory at Sikka in Saurashtra about 1200 workmen (including 163 contract labourers). The Company has stated in its reply to the Questionnaire that it has constructed 790 quarters for employees. The Company has to spend every year Rs. 70,000 on them for repairs and Rs. 6,000 for electricity. The Company maintains a dispensary for treatment of employees and their dependents; and in collaboration with the World Health Organization it runs an M.C.H. Centre for maternity and child welfare on which Rs 36,000 is spent after allowing for the grant received from the World Health Organisation. The Company provides free education upto the primary standard, and a High School where a monthly fee of Rs. 2.50 to Rs. 6.50 is charged. Employees are, however, given liberal freeships. At the island from which the Company obtains its calcareous sand there are practically no amenities.

7.15. Dalmia Dadri Cement Ltd. has about 2,200 workers. It has stated that it has provided housing for 154 workers. It provides a dispensary and has made some small provision for primary education. The Company has to contribute Rs. 6,000 to the Employees' State Insurance Scheme.

7.16. Kalyanpur Lime and Cement Works Ltd. has 471 workers at the factory at Banjari (excluding 50 engaged through contractors) and 160 workers at the quarry. There are also 700 contract labourers at the quarry. The Company has stated in its reply to the Questionnaire that its annual expenditure on housing is Rs. 44,500, on free medical aid Rs. 17,500 and on education Rs. 4,500. Employees' State Insurance Scheme contribution is Rs. 5,955.

7.17. Travancore Cements Ltd. has about 500 workers at the factory. It has in its reply to the Questionnaire stated that 43 workers are housed. It spends Rs. 12,000 a year on uniforms. A canteen is maintained at the factory.

7.18. The Bagalkot Cement Company Ltd. has in its reply to the Questionnaire stated that a few members of the staff are given free quarters or house rent allowance. From the reply it appears that no educational facilities are provided, and that the expenditure on medical aid is very small.

7.19. The Director of the U.P. Government Cement Factory has in the reply to the Questionnaire stated that 537 employees have been provided with rent-free houses, with free electricity and water. The annual expenditure is Rs. 3,26,000. The Employees' State Insurance Scheme is not in force. Free medical aid is provided. Free education is given up to the sixth class in the schools at the factory and quarry.

7.20. The Manager of the Mysore Iron and Steel Works has stated in the reply to the Questionnaire that 40 per cent of the employees are housed. Rent is charged at a concessional rate. Water supply is free. The annual expenditure on medical aid is Rs. 1,33,353 and for education Rs. 1,18,921 but this expenditure is for the Works as a whole as the cement plant is part and parcel of the Mysore Iron and Steel Works. Particulars of the medical aid, educational facilities are not given.

7.21. We shall now deal with the question as to what extent benefits given by the Companies to workers should be taken into consideration in fixing the basic wage. The Fair Wages Committee observed in its Report at paragraph 28:

"We feel that before a wage-fixing machinery decides to make any allowance for benefits, statutory or otherwise, granted to workers, it must examine the nature and extent of those benefits. Where a benefit goes directly to reduce the expenses of a worker on items of expenditure which are taken into account for the calculation of the fair wage, it must necessarily be taken into account in fixing the actual fair wage payable. Where, however, the benefit has no connection with the items of expenditure on which the fair wage is calculated, it cannot naturally be taken into account."

The Resolution of the Tripartite Fifteenth Labour Conference must be taken to be subject to the above observation, for benefits which go to reduce the expenses of a worker on items of expenditure which are taken into account in the Resolution of the Conference must be taken into account. For instance, if the employer gives housing facilities, it must be taken into account. But some employers have interpreted this so widely to mean any and every kind of benefit such as gratuity, provident fund, subsidised canteen, expenses on amenities such as recreation club, swimming pool, etc. In a statement filed by Rohtas Industries Ltd., the present wage, dearness allowance and housing allowance is shown to aggregate to Rs. 64 while the benefits are reckoned to be worth Rs. 36. This is completely unrealistic, for the Tripartite Resolution allows 20 per cent for miscellaneous expenditure, and if all such benefits are held to be included the worker will have little left to spend for miscellaneous items for which a provision of 20 per cent of the total amount has been made. Rest halls which an employer is bound to provide under the Factories Act, swimming pools and other such welfare expenses do not reduce the cost of living of working class families. The employers' contribution to the provident fund and gratuity is admissible only after a certain number of years' service, and we think it cannot be included so as to reduce the provision of 20 per cent expenditure on "Miscellaneous". But expenditure on items like hospitals, education, etc. which go to reduce the expenses of a working class family must be taken into account. Things like supply of gur and oil which are given by some Companies not to all workmen but to certain categories such as those in the packing department to enable them to counteract the deleterious effects of breathing dust and being covered with dust cannot be taken into account.

7.22. In most of the cement centres the arrangements provided for education and medical aid are satisfactory. In this respect employers in the Cement Industry are in advance of employers in a number of other major industries. It is difficult to evaluate the amenities factory by factory. We would take a sum of Rs. 3 as a reasonable deduction from the total minimum wage of Rs. 94 and Rs. 101 (for the factories in the Gujarat and Saurashtra region) for the medical and educational facilities provided by the Cement Companies*. The average amount spent by the Companies in respect of these items comes to more than Rs. 3, but we think more than this figure would not be justified as we should take into account only what a minimum wage earner would spend on the average in respect of medical and educational expenditure for himself and his family and the amount of Rs. 3 per month appears reasonable. We hope that employers at the few cement centres where the existing amenities provided by the employers are inadequate, and where there are no proper alternative medical and educational facilities available, will bring up the amenities to a reasonably good standard.

*In certain factories, e.g. at Porbandar, there are few amenities. Porbandar being a town, the hospital and education facilities are provided by Government. We have, however, taken the figure of Rs. 3 as an average. The actual average for the A.C.C. would be more. In the case of Porbandar, the fixation of wage at Rs. 101 minus 3, i.e. Rs. 98 involves a substantial rise in the present wage and we do not think any addition to be made to it in consideration of the fact that compared to other factories of the A.C.C. the amenities are few. So also we do not think that a lower sum than Rs. 3 should be taken in respect of a few factories where the amenities are comparatively less. They are the factories in which the wages are comparatively low and employees will be getting a big rise in wages. The figure of Rs. 3 that we have taken is a fair average, and it would be difficult to make meticulous calculations factory by factory about the value of amenities at each place.

CHAPTER VIII

SPLIT-UP OF THE WAGE INTO BASIC WAGE AND ALLOWANCES

8.1. In this Chapter we propose to consider the question of the split-up, i.e., what part of the minimum wage determined by us should be basic and what part should consist of dearness allowance and house rent allowance.

8.2. In most cement centres the basic wage is a fixed amount, and to meet the additional cost of living a separate dearness allowance is paid. In some centres the dearness allowance for operatives varies with the movement of particular consumer price indices, usually of the nearest place where an index is published. In some centres the dearness allowance varies according to a percentage of the rate applicable to the cotton textile industry in the region. In some centres the dearness allowance is a fixed amount, while in some others, in addition to the fixed dearness allowance food grains are supplied at a concessional price below cost. Lastly, in a few centres the wage is consolidated. The existing arrangements of dearness allowance for unskilled workers in the various cement factories are as follows:

<i>Cement Factory</i>	<i>Dearness Allowance</i>
1. Banmor (A.C.C. Ltd.)	11·6 nP. per unit of 5 points over 100 points of the Consumer Price Index for Jabalpur.
2. Bhupendra " "	6 nP. for every 3 points over 100 points of the Consumer Price Index for Ludhiana.
3. Chaibasa " "	Rs. 1·19 per day, plus grain concession.
4. Dwarka " "	60 per cent of Ahmedabad Cotton Textile rate.
5. Khalari " "	Rs. 1·19 per day, plus grain concession.
6. Kistna " "	2 annas per point over 100 points of the Consumer Price Index for Eluru.
7. Kymore " "	Rs. 1·12 per day, plus grain concession.
8. Lakhari " "	Rs. 1·25 per day, plus grain concession.
9. Madukkarai " "	2½ annas per point over 100 points of the Consumer Price Index for Coimbatore.
10. Mancherial " "	Rs. 33·50 p.m.
11. Porbandar " "	55% of Ahmedabad Cotton Textile rate.
12. Sevalia " "	66. 2/3 % of Ahmedabad Cotton Textile rate.
13. Shahabad " "	Rs. 33·50 p. m.
14. Sindri " "	9·6 nP. per unit of 4 points over 100 points of the Consumer Price Index for Jharia.
15. Vijayawada (The Andhra Cement)	2 annas per point over 100 points of the Consumer Price Index for Eluru, or 15% of basic pay whichever is higher subject to a maximum of Rs. 50 p.m.
16. Dalmianagar (Rohtas Industries Ltd.) and 17. Dalmianagar (Ashoka Cement Co. Ltd.)	Rs. 35·00 p.m.
18. Bagalkot (Bagalkot Cement Co. Ltd.)	Consolidated wage Rs. 1·75 per day.
19. Dalmiapuram [Dalmia Cement (Bharat) Ltd.]	2½ annas per point over 100 points of the Consumer Price Index for Tiruchirapalli.
20. Charkhi-Dadri (Dalmia Dadri Cements Ltd.)	Rs. 35·00 p.m.
21. Sikka (Shree Digvijay Cement Co. Ltd.)	25% of basic wage plus special neutralisation allowance of Rs. 4 p.m. plus 20 nP. per month for every point rise over 244 of the Ahmedabad Consumer Price Index.
22. Talaiyuthu (The India Cements Ltd.)	For monthly rated workers, 2 annas per point over 100 points of Madras Consumer Price Index. Recalculation is made when there is a change for 15 points for three months. For daily rated males Rs. 1·6-0; females, 14 annas. In the case of daily rated workers the difference is 2 annas for male and 1 anna for female when there is a change for monthly rated workers.
23. Sawaimadhupur (Jaipur Udyog Ltd.)	Rs. 35·00 p.m.
24. Banjari (The Kalyanpur Lime & Cement Works Ltd.)	Rs. 26·00 p.m.

25. Rajgangpur (Orissa Cement Ltd.) . . .	Rs. 27.00 p.m.
26. Macherla (Ramkrishna Cement; The K.C.P. Ltd.)	Rs. 40.00 p.m.
27. Japla (The Sone Valley Portland Cement Co. Ltd.)	Rs. 36.00 p.m.
28. Satna (The Satna Cement Works)	Rs. 2.00 per day (consolidated) at the Factory, at the Quarry Rs. 1-4-0 for males and Re. 0-14-0 for females.
29. Churk (The U.P. Govt. Cement Factory)	Rs. 25.00 p.m.
30. Bhadravati (The Mysore Iron & Steel Works Ltd.)	Rs. 30.00 p.m.
31. Kottayam (The Travancore-Consolidation wage Cements Ltd.)	Rs. 60/- p.m.

8.3. At present, benefits like provident fund, retrenchment compensation and state insurance are all calculated on the basic wages plus dearness allowance. Labour has pressed that a large proportion of the total emoluments should comprise the basic wage on the ground that the cost of living is not likely to come down below 300 over the pre-war base at 100, and also on the ground that under the present arrangement the lowest grade of workers are at a disadvantage in the matter of gratuity and bonus, as these benefits are generally in terms of basic wages.

8.4. The existing basic wage in the majority of cement centres is Rs. 26 per month. We are of the opinion that the figures of the minimum cash wage of Rs 91 (and Rs. 98 for a certain region) which we have arrived should be split up into Rs. 52 basic, and the rest dearness allowance and house rent allowance. Both the Federations of Cement workers who appeared before us strongly urged that the time has come to rectify the unreality of the present proportion between basic wages and dearness allowance. They have therefore urged that a large part of the present dearness allowance should be merged in or added to the basic wage. The employers have opposed this on the grounds that this can and should only be done on all-India basis for all Industries, that the merger would upset wage differentials, and would cast too heavy a burden in respect of existing gratuity schemes.

8.5. By determining the total need-based minimum wage to be Rs. 94 and Rs. 101 (for the Gujarat and Saurashtra region), and splitting it up into a basic wage of Rs. 52, dearness allowance of Rs. 31.50, (Rs. 38.50 for the Gujarat and Saurashtra region) and house rent allowance of Rs. 7.51 and with Rs. 3 for amenities provided in kind, we have, in effect met to a considerable extent the demand of labour for merger, as Rs. 26 out of existing dearness allowance has been added to the basic wage of Rs. 26 usual in the industry, and the total emoluments in most cases have been increased. To meet the employers' objection about the financial burden in respect of gratuity, we have evolved a formula, for differentiating between the gratuity payable for service before the coming into effect of our recommendations and subsequent service. We do not propose a higher figure of basic wage than Rs. 52 in view of certain practical considerations. The existing basic wage is dovetailed with gratuity schemes in many of the cement Companies. As stated above we are proposing a formula which would ensure that by the fixation of basic wage at Rs. 52 for unskilled workers, the burden of gratuity for past services should not be unduly increased. There is also another aspect of the matter that has to be considered. Bonus under Awards is given in terms of basic wages. This is to the disadvantage of the lowest wage earners, as in their case the basic wage forms a much smaller proportion of the total emoluments than the higher grades of operatives as well as the clerical, technical and supervisory staff and officers. Therefore, an increase in the proportion of the basic wage in the case of operatives would redress this inequality and increase the bonus of the lower wage earners relatively to the bonus of higher paid wage earners and salary earners. But the Employers' Representatives on our Board feel that if the basic wage is increased to much more than Rs. 52 the balance would be tilted too much in the matter of bonus in favour of mazdoors; and since mazdoors form the majority of employees in the Cement Industry, the quantum of bonus left for distribution to the other categories would be much smaller, and if these categories get in future very much less bonus than what they have been getting up to now, it would act as a disincentive to efficiency. For all these practical considerations, and taking the overall picture into account we are of the opinion that a basic wage of Rs. 52 in the case of the lowest category of workers would be appropriate.

8.6. Coming to our formula regarding gratuity, as stated above, the effect of increasing the proportion of the basic wage would be to increase the burden of gratuity schemes which are fixed in most of the Companies in terms of basic wages. It has to be borne in mind that what matters more to the workmen is their present wages. Any marked increase in retirement benefits would be at the expense of the capacity of the Companies to pay an increased wage. And since unskilled workers form the majority of workmen in the Industry the effect of an increase in their basic wage to Rs. 52 would be to multiply the burden in respect of gratuity, and it is necessary that the burden should not be increased unduly. It has also to be born in mind that Government has, for a long time, been considering the question of

increasing the Provident Fund Contribution from 6½ per cent to 8·1/3 per cent in industries governed by the Provident Fund Act which also applies to the Cement Industry.

8.7. Having regard to the foregoing considerations, we recommend that existing gratuity schemes for employees in the A, B, C, D and E grades recommended by us should be modified to the extent and in the manner stated below:—

Wherever gratuity is payable in terms of average basic wages earned by the worker during the last month or year of his service, the following modification should be made:

- (a) The service period of the operative should, for the purpose of gratuity calculations, be broken into two periods as under:
 - (i) the first period shall be the period of service from the date of appointment till the date immediately prior to the date with effect from which our wage recommendations come into operation; and
 - (ii) the second period shall be the period of service immediately following the first period, that is to say, the period of service from the date on which our wage recommendations become effective.
- (b) Gratuity should be calculated separately for the two periods of service as under:
 - (i) for the first period, in terms of the average basic wage earned by the operative in the last month or year of the first period of his service, as required under the gratuity rules;
 - (ii) for the second period, in terms of the average basic wage earned by the operative in the last month or year of his service.

Illustration:—Supposing gratuity is payable at the rate of 15 days' basic wages per year of service in terms of the average basic wage drawn during the last month. A worker has put in 10 years' service in the first period and 6 years in the second period. His basic wage in the last month of the first period was Rs. 30 and in the last month of the second period it was Rs. 60. The gratuity due to him will be:

	Rs.
For first period—5 months' basic wages—Rs. 30×5	150
For second period—3 months' basic wages—Rs. 60×3	180
	<hr/>
	330
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- (iii) If a ceiling is provided in the gratuity rules on the gratuity amount, the second period of the service of the worker should first be taken fully into account in the calculation and to the extent that gratuity would be payable for a larger number of months, the first period of service will be brought into the computation.

Illustration:—Suppose gratuity is payable at the rate of 15 days' basic wages per year of service, subject to a maximum of 10 months' basic wages. The worker has completed 24 years of service of which 18 years were in the first period and 6 in the second period, gratuity will first be computed for the 6 years of the second period which will amount to 3 months' basic wages, last drawn. If his basic wage in the last month of the first period was Rs. 30 and in the last month of the second period was Rs. 60, the gratuity due to the worker will be:

	Rs.
For the first period—7 months' basic wages—Rs. 30×7	210
For the second period—3 months' basic wages—Rs. 60×3	180
	<hr/>
	390
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- 8.8. The question of laying down gratuity schemes has not been referred to us. We have only gone into this question in so far as our recommendations regarding increase in basic wages are likely unduly to burden the employers on the basis of the existing gratuity rules. Workers or employers are not precluded, where they are dissatisfied with the existing gratuity schemes, from resorting to the machinery provided by the Industrial Disputes Act. Where under any existing scheme of gratuity is paid on the basis of consolidated wages, the scheme should be suitably revised so as to lessen the burden in view of the substantial increases in total wages recommended by us. Such revision should be by mutual agreement between the workers and the employer concerned. If there is no such agreement the machinery provided by the Industrial Disputes Act would be available. Pending such revision, gratuity should be based on the consolidated wages in force in the month (or year

if the scheme so specified) immediately preceding that in which our recommendations take effect.

8.9. It may be noted that we have not proposed modifications of existing gratuity schemes in respect of the clerical and lower technical and supervisory staff, as in their cases the proportionate increase given in the basic salaries is not so large.

8.10. The next question which calls for consideration is making some provision for varying the dearness allowance according to the rise or fall in the cost of living, and the percentage of neutralisation that should be given. The Fair Wages Committee was of the view that for the lowest categories of wage earners' the target should obviously be compensation to the extent of 100 per cent of the increase in the cost of living. We accordingly propose to provide for 100 per cent neutralisation for the lowest categories of wage earners. But, for the first 6 months from the date on which our recommendations come into effect, we are recommending that there should be no change in the dearness allowance proposed by us, in order to stabilise wages for the initial period of 6 months.

8.11. With regard to the question of linking of dearness allowance to a Consumer Price Index, we think, in the interests of uniformity in the wage structure in cement centres, that the wages should be linked to the All India Consumer Price Index (General) as has been done in all India adjudications, e.g., by the Banks Tribunal and the Labour Appellate Tribunal in the Appeal from the All India Collieries Tribunal. Existing local indices to which the dearness allowance in some of the cement centres is linked are on very old bases. The base for the Ahmedabad Index (to which the dearness allowance in cement factories in the regions of Gujarat and Saurashtra is linked) is 1926-27; the base for the South Indian Indices of Madras, Coimbatore and Eluru is 1935-36. These Indices are out of date. Cost of Living Indices or Consumer Price Indices are reliable for judging changes in the cost of living if they are fairly recent or at least not very old. There is generally some change in the pattern of consumption in such a long period. At present, the National Sample Survey is making Family Budget Inquiries, but it will take considerable time before Consumer Price Indices on fresh bases are worked out. For the present, the All India Consumer Price Index (General) (base 1949) provides a suitable anchor to which dearness allowance can be linked. It may not be out of place to mention that in the recent case the Brooke Bond India Private Ltd., Shri F. Jeejeebhoy, National Tribunal, directed the linking of the dearness allowance in respect of workmen at Jamnagar (in the Saurashtra region of Bombay State) to the All India Index observing:

"I must now give a scheme of dearness allowance for the workers of the Jamnagar factory who at present have a fixed dearness allowance. There are some difficulties in this case in linking the dearness allowance of Jamnagar with the dearness allowance of Ahmedabad, and I do not think it would be desirable to pursue that aspect. I think it will be more reasonable having regard to the general trend of dearness allowance to ally the dearness allowance of Jamnagar to the All India Working Class Consumer Price Index as published by the Government of India."

CHAPTER IX

FIXATION OF DIFFERENTIALS

9.1. In Chapter III we have dealt with the categories of workmen for whom the Board should determine the wage structure. So far as the fixation of wages for the semi-skilled, skilled and highly skilled workmen is concerned, it is necessary to consider the view-points of the companies and unions, and in this Chapter we shall state how we propose to deal with the question.

9.2. The Indian National Cement Workers' Federation has stated as follows:

"It is submitted that the differentials should be so fixed having regard to the present level of prices and to provide incentive to the workers for advancing skill. The representatives of employer and workers should jointly make estimates and evolve common standard for particular point of time and these may be revised from time to time. Particularly the degree of rationalisation and mechanisation introduced in the cement factory should be one of the considerations and the substantial gains of rationalisation and mechanisation must go to improve the wages of the workers till they attain the living wage."

9.3. The All-India Cement Workers' Federation has stated that the present wage differentials are neither proper nor rational, and that they should be fixed in the following proportion. Taking the differential base as 1 for unskilled, the proportion should be:

Unskilled	1.00
Semi-skilled	1.50
Skilled and Clerical	2.00
Highly skilled and supervisory	3.00

9.4. The Associated Cement Companies Ltd. has in its reply to the Questionnaire stated that the present differentials between the lower and higher wages have been determined by custom and usage, experience in working over a number of years, adjudication awards, collective bargaining and settlements. As regards the factors specified by the Fair Wages Committee for being taken into consideration in determining the differentials, the Associated Cement Companies Ltd. has stated that in the absence of job evaluation it is not possible to accord these factors their relative weightages on a strictly scientific basis, but in practice fairly satisfactory differentials have been evolved in the manner stated above. Shri N. Dandekar of the Associated Companies Ltd. stated as follows during his arguments:—

"If you decide to include in the wage structure which you recommend skilled and semi-skilled workers you have the problem of fixing differentials which is a difficult job. Differentials have grown up as a result of historical accidents. If a structure works well it should be left alone. Though differentials have in practice been fixed by *ad hoc* considerations, if you interfere with them it should be done in a studied and scientific manner. If the Board feels that scientific wage differentials should be fixed that is alright, but no *ad hoc* solution should replace existing arrangements. Only proper job evaluation should be done. In our Companies we have not taken up job evaluation. One of the difficulties is that even in advanced countries workers often do not take kindly to it. If the Board feels that it should deal with different categories, differentials as they have grown up should be accepted."

9.5. At the hearing, Shri Ranga Rao, one of the representatives of the Associated Cement Companies Ltd., stated before us:

"Any increase in differentials will increase industrial unrest. As it is, owing to flat dearness allowance differentials are narrowed down. Jobs require individual examination. A miller in one factory may not be doing the same work as a miller in another. In one case he may be in charge of two mills, in another one. It is impossible for the Wage Board to go into these details on an all-India basis. Differentials have come down from a long time and corrections should be left to the parties and to the units who know best."

9.6. The Sahu Jain group of Companies have stated that job evaluation can only be done by experts by time and motion studies. It is, therefore, not advisable to fix differentials on an *ad hoc* basis, which would not only defeat its very purpose but cause dissatisfaction and lead to serious complications. Shri Poddar, the Works Manager of Rohtas Industries Ltd., stated before us:

"Existing grades have been evolved as a result of negotiations, agreements and awards and each place has its own history regarding particular grades and categories. A man with the same designation has different

duties in different factories, not only in a cement factory but in other industries also. At this stage it would be difficult for the Board to go into the past history and development of the grades. The existing grades should not be disturbed."

9.7. Dalmia Cement (Bharat) Ltd. and Orissa Cement Ltd. have expressed a similar view to that given in the answer to the Questionnaire by the Sahu Jain group of Companies. The Andhra Cement Co. Ltd., Ramkrishna Cements, the Kalyanpur Lime and Cement Works Ltd. and Shree Digvijay Cement Co. Ltd. have stated that wage differentials can only be determined by scientific methods and a proper job evaluation with the guidance of technical experts. Shree Digvijay Cement Co. Ltd. has further stated:

"We believe that the present differentials prevailing between the higher and the lower wages at our factory are proper and provide sufficient incentive for improvement of skill."

9.8. The Travancore Cements Ltd. has stated that the present differentials are more or less proper.

9.9. The India Cements Ltd. has suggested grouping of the bulk of employees in 9 groups and the rest on special basis according to their qualifications. The Bagalkot Cement Co. Ltd. has stated that in the absence of time and motion and work studies, fixing of differentials may be left to the industry itself. It suggests grouping of workers into (a) unskilled, (b) semi-skilled, (c) skilled, and that highly skilled workmen should be included in the technical staff.

9.10. The U.P. Government Cement Factory has referred to the factors to be borne in mind in fixing differentials according to the Fair Wages Committee, and stated that the matter of their proper assessment and weightage is a very intricate subject and no scientific proposals can be given off-hand. The Mysore Iron and Steel Works has stated that in fixing differentials weightage should be given as follows:

Degree of skill	15
Strain of work	16
Experience involved	10
Training required	7
Responsibility undertaken	20
Mental and physical reasons	6
Disagreeableness of task	6
Hazard of work	12
Fatigue involved	8

9.11. The Government of Madras (Department of Industries, Labour and Cooperative) has supported the opinion of the State Tripartite Committee on the Cement Industry which stated that the factors referred to by the Fair Wages Committee should be taken into account, but the prevailing practice in the Industry should also be taken into account. The Government of Punjab (Labour and Employment Department) has stated:

"At present there seem to be considerable differences between wages of higher and lower categories. In these days the higher wages should be brought down to remove the difference. This would provide for more incentive to the workers of the lower category."

9.12. The Government of Orissa (Labour Department) has stated that though differentials should be based on scientific job evaluation, the following weights may be given to the jobs in general, the actual weights varying a few points either on the increasing or decreasing side, as the case may be, in particular jobs:

1. Hazard of work	15
2. Responsibility undertaken	15
3. Degree of skill	10
4. Training required	15
5. Experience involved	15
6. Strain of work	10
7. Fatigue involved	10
8. Disagreeableness of task	5
9. Mental and physical reasons	5

9.13. At this stage, we may say a few words about job analysis and evaluation, with particular reference to the Cement Industry. Time and motion studies has little concern with the fixing of differentials. They are concerned with how to do a job better in the sense of doing more work in the same time or the same work with less effort, or improvement of the way in which the job is done. Sophisticated techniques have grown up of studying job A as compared with job B and relations of job to one another. Work studies are concerned with and aim at improvement in

productivity. Can you get production by better deployment of resources? In job evaluation, a job is analysed into its various components of skill, fatigue, hazard, etc. Points are assigned to the various elements in the job. The jobs are thus graded and differentials are then fixed on the basis of the differential valuation of the jobs. These adjustments are often difficult because workmen resist downgrading of jobs and changes have to be made gradually.

9.14. Now, in the Cement Industry, if differentials have to be fixed by job analysis and evaluation, it would have to be done factory-wise. There are wide variations in factories in the lay-out, capacity of mills, type of machinery installed, process of manufacture—dry or wet, etc. Moreover, the same designation does not have the same job content in all factories. Practical considerations do not call for such a detailed and minute analysis. If the Board were to attempt to do this, it would take a very long time; a large number of experts would be needed to go round each and every factory in India to finish the work in any reasonable time. The Board which has to make its recommendations about the wage structure in a reasonable time cannot do this. Even if such a scientific analysis were possible, changes in the rating of jobs would have to be done gradually. For all these reasons, this Board has not considered it expedient to embark on job analysis and evaluation for the re-fixation of differentials. This does not mean that we should not, therefore, touch the differentials at all. While the contentions urged on behalf of the Companies, referred to in paragraphs Nos. 9.4. to 9.9. above, are not without force, we are not prepared to accept the view that if we do not undertake job analysis and evaluation through experts, we should leave severely alone the differentials and the existing wage structure of categories other than the unskilled workers. Tribunals in India have, over a course of years, been fixing a wage structure for higher categories than unskilled workers, after reference to rates and the differentials fixed in similar occupations in other industries. In other countries also, Tribunals have been able to fix a wage structure for semi-skilled and skilled workers without undertaking job analysis and evaluation through experts. We may instance the practice in Australia, where compulsory adjudication is far advanced. In Foenander's 'Better Employment Relations' (published in 1954), it is stated (at page 156):

"Dealing with skilled and semi-skilled employment, and other work requiring for its satisfactory or adequate performance something extra in the way of attribute, faculty or contribution, the tribunals are accustomed to require additional payments as minimum over and above the basic rates as a reward for qualification, experience, sense of responsibility or other consideration brought to bear by the worker (male or female) in the performance of the task. In every current wages award there is to be found a provision of some sort of this kind of payment. For purposes of calculating this extra remuneration (usually known as the marginal or secondary wage) the tribunals have fallen back on principles of comparability, attempting in that way to arrive at a correct evaluation of the skill etc. in the case in question by reference to rates fixed in similar or corresponding occupations, whether in Australia or in other countries. But in so doing they have not neglected the factor of inter-state or overseas competition, length of terms of apprenticeship or other training deemed necessary to make a competent workman in the occupation, usage and opinion in the trade, and the general capacity of the industry under examination or of industry as a whole or the community to sustain these secondary payments, or to pay the resultant prices. They have not disregarded, too, suggestions as to the possible disturbance in the existing distribution of commerce and industry over the various Australian States that may eventuate. In other words strict economic canons, as well as principles of fairness and reason, have been applied in the assessment of the multiplicity of differentiated super-basic rates itemised against the various classifications of employment."

The course which we propose to adopt is to disturb as little as possible existing differentials which have been determined by custom and usage, local circumstances, experience in working over a number of years, awards and agreements. The existing differentials may be presumed to represent a rough job evaluation. We propose to take existing differentials as the basis and make adjustments which are necessary by reason of the revision of the wage of the lowest category of workers, or to remove anomalies in the existing differentials. It has been urged before us that in some companies semi-skilled workmen are paid as mazdoors and skilled workmen are paid at the semi-skilled rate. In an all-India inquiry of the nature we are making, it is not possible to deal with such grievances particularly when they relate to individual workmen. We would suggest that such complaints made by Unions be gone into by the Companies and genuine grievances redressed. In the last resort the machinery provided by the Industrial Disputes Act is available. We may mention that anomalies of the nature complained of are not peculiar to this country and are there even in countries where job analysis and evaluation have made great strides. In the book 'Management of Industrial Relations' by Watkins and Dodd (Fifty Edition), it is stated at page 126:

"The inconsistencies in rates of wages for similar, if not identical, jobs and occupations in American industrial organisations, present a curious

anomaly, in view of employers' insistence that employees be paid according to their efficiency and service. Innumerable instances of glaring inequalities obtain....."

9.15. The Companies have, in general, accepted the standard nomenclatures and list of duties in the Cement Industry circulated to the cement companies and workers' Unions by the Chief Labour Commissioner, Government of India in 1955. The Associated Cement Companies Ltd. has already adopted this nomenclature with the duty lists in its factories. The Unions, however, do not accept this classification and duties. The Indian National Cement Workers' Federation has stated:

"It is desirable and necessary that standard nomenclatures should be adopted in the whole industry for persons doing the same type of work. It is strongly urged that the nomenclatures in this standard list are not at all acceptable to us and particularly the test and qualifications laid down for the standards or nomenclatures. Particularly we may point out that the qualifications and nature of work required to be done by a person to be put in a particular standard or nomenclature are far from reality and such that the employers can easily deny the workers their legitimate claim to be put in a particular grade in unskilled, semi-skilled and skilled or highly skilled categories. This can be ascertained by asking the employers themselves how many employees in each factory would satisfy the tests or qualifications laid down in the said list of each of the nomenclatures. It is submitted that unless and until the standard or nomenclatures and qualifications for each nomenclature are thoroughly revised by joint consultations by the representatives of employers and workers in each factory, there is bound to be industrial unrest, and classification and promotions of workers in the grades would lead to favouritism and victimization and unfair discrimination. Emphasis should be on the actual work done by the workers rather than theoretical or academical qualifications and too fine distinctions."

The All-India Cement Workers' Federation has stated:

"We however generally agree to the nomenclatures circulated by the Chief Labour Commissioner, subject to necessary uniform adjustments, having in view the four categories proposed by us. The categories proposed are (1) unskilled, (2) semi-skilled, (3) skilled and clerical category, (4) highly skilled and supervisory."

9.16. The Associated Cement Companies Ltd. has by agreement with the local Unions in all, except two of its fourteen cement factories, fixed 5 grades for the daily rated workmen. Of the two exceptions, in Madukkarai there is no agreement because of an existing award, but the grades, more or less, are the same, while in Porbandar, there is an appeal pending in the Supreme Court. The grades are as follows:

'E' Grade	'D' Grade	'C' Grade	'B' Grade	'A' Grade	Rs. 1.00	.05	1.50
					Rs. 1.25	.08	1.81
					Rs. 1.62	.15	2.82
					Rs. 2.56	.20	3.96
					Rs. 3.75	.25	6.00

These scales have been applied and brought into force by agreements made on varying dates as follows:

Bhupendra (Surajpur)	16-7-1957	Kymore	16-12-1957
Banmor	20-7-1957	Kistna	19-4-1958
Shahabad	12-10-1957	Dwarka	28-5-1958
Sindri	29-11-1957	Lakheri	2-10-1958
Chaiabasa	13-12-1957	Khalari	2-4-1959
Mancherial	27-11-1958	Sevalia	5-6-1959

Unskilled workers are in 'E' Grade. 'D' Grade is for semi-skilled workers, 'B' and 'C' Grades for skilled workers, and 'A' Grade is for highly skilled workers.

9.17. The Indian National Cement Workers' Federation has stated that there should be only three classes, (1) unskilled, (2) semi-skilled and (3) skilled, and that there is no justification for a separate category for highly skilled.

9.18. It will be convenient at this point to refer to the viewpoint of the Companies other than the Associated Cement Companies Ltd. Dalmia Cement (Bharat) Ltd. and Orissa Cement Ltd. want the skilled and highly skilled occupations to be sub-divided into 4 classes each on the ground that in these categories the degree of skill and efficiency is bound to vary widely. The Sahu Jain group of Companies propose classification into 7 classes as follows: (1) unskilled, (2) semi-skilled A, (3) semi-skilled B, (4) skilled A, (5) skilled B, (6) skilled C and (7) highly skilled. The Companies have further stated that more important than the division into these categories is the allocation of designations into each group for a proper fixation of

wages. Ramkrishna Cements and the Andhra Cement Co Ltd. have not proposed any classification, as in their opinion only the unskilled workers should be covered by the inquiry. India Cements Ltd. has proposed a special classification of occupations into 30 groups. Kalyanpur Lime and Cement Works Ltd. proposes the following grouping: (1) unskilled, (2) semi-skilled A and B, (3) skilled A, B and C, (4) highly skilled, (5) Clerical. Dalmia Dadri Cement Ltd. states that it is advisable to group the various occupations into classes, such as, (1) unskilled, (2) semi-skilled A and B, (3) skilled A and B, (4) highly skilled, etc. Shree Digvijay Cement Co. Ltd. states that if it is desired to fix wages of all categories of operatives the broad classification should be (1) unskilled, (2) semi-skilled, (3) skilled A and B and (4) highly skilled. Travancore Cements Ltd. proposes the same classification. The U.P. Government Cement Factory proposes classification into (1) skilled, (2) semi-skilled, (3) unskilled and adds that it is not necessary to have water-tight categorization for purposes of wage fixation. The Mysore Iron and Steel Works has simply stated that it is desirable to group occupations into classes, such as, (1) unskilled, (2) semi-skilled or semi-skilled A and B, (3) skilled or skilled A and B and (4) highly skilled, etc.

9.19. The Government of Madras (Department of Industries, Labour and Co-operation) supports the recommendation of the State Tripartite Cement Committee that occupations should be classified for the purpose of fixing wages into (1) skilled, (2) semi-skilled and (3) unskilled. On going through the Report of the Committee, it is seen that no detailed reasons are proposed for this classification and it is stated:

"Based on a rough estimate of the nature of the duties of the different categories, the Committee has classified the several occupations into three broad categories, namely, unskilled, semi-skilled and skilled."

The Government of Rajasthan (Industries Department, Labour Section) has simply stated that it is desirable that wages are fixed in groups of various occupations.

9.20. We propose now to deal with the contention of the Indian National Cement Workers' Federation that there should be only three grades of unskilled, semi-skilled and skilled. A further point which has been greatly pressed is that there is no justification for maintaining the existing system of three grades for occupations like fitter, turner, etc. The employers have replied as follows: There are various gradations of skill and experience in occupations like fitter, turner, etc. Besides, due to rapid industrialisation in India there is general scarcity of trained persons to fill the posts of fitters, welders, turners, moulders, electricians, blacksmiths, cable joiners, etc. Consequently intelligent mazdoors helpers and khalasis are trained for such occupations. In general, the practice is to promote a mazdoor to a helper and from there to the higher grades according to skill and experience as well as the number of vacancies. If there is only one grade for such occupations there would be less chance of promotion. For instance, a company would hesitate to give a helper a chance to work as a fitter, if there is great difference between his wage and the minimum of the fitter's which is likely to happen if there is only one grade for fitters. The company would in those circumstances be inclined to take only trained and qualified men from outside. Moreover, once in the skilled grade, there will be no incentive to a worker for improvement.

9.21. We think these arguments are weighty. When we visited the Associated Cement Companies' Factory at Kymore, we made a fairly detailed study of the work of various categories like turners, and were impressed by the differences in skill and experience between the fitters, turners, etc. in the different grades. We are unable to accept the contention that there should be only one grade for such categories. We are also of the view that the division of such skilled workers into grades cannot be replaced by one grade with an efficiency bar. Experience has shown that in practice efficiency bars are difficult to operate, and in practice only the demonstrably unfit can be stopped at the efficiency bar. An efficiency bar cannot possibly serve the purpose which the division into different grades can, viz. a higher grade for persons with different degrees of skill and experience, who have the necessary initiative and ability to do the job without detailed instructions from the immediate superior, capacity to deal with a difficult situation and emergencies, etc. In the book 'Introduction to the Study of Industrial Relations' by Prof. J. Henry Richardson, the learned author has stated at page 103:

".....instead of relying, as many firms do, upon three homogeneous grades, skilled, semi-skilled, and unskilled, the practice should be much more wide adopted than at present of having several sub-divisions within each grade. This would provide more opportunity for promotion, with suitable wage increases. In some countries this system is widely applied and enables promotion and wages to be more closely adjusted to the qualities of each worker."

9.22. In the case of the coal industry there was a general agreement among the Associations of Employers and Employees for a division of workers into 10 grades. The All India Collieries Tribunal accepted the classification and fixed wages for each category accordingly. Referring to the agreement between the

Indian Mining Association and the three labour Federations about the categorisation of workers into 10 categories, the Tribunal observed (paragraph 512 of the Award):

"The mazdoor is the unskilled worker, but where the nature of the work done by him involves more than ordinary strain or responsibility, then he is put into the higher categories, so much so mazdoors are spread over from Category I to Category VII according as they do light work or slightly heavy work, or heavy work involving some degree of responsibility. We do not find any khalasis, mistries or fitters in Category I. The khalasis are those who operate machines such as fans, pumps, winding engines, etc., and they start from Category II and go up to Category IX though in the higher categories the number of jobs is comparatively less. Mistries and the fitters actually start from Category III. The mistries stop with Category VII while the fitters go up to Category X, Category X being the supervisory category in respect of whom it has been suggested that they should be put on time scales."

It will be thus seen that in the Coal Industry fitters and khalasis are divided into a number of grades.

9.23. In the conditions prevailing in the Cement Industry we are of the opinion that the classification adopted in the Associated Cement Companies Ltd., the largest unit in the Industry, should be adopted and we propose to recommend scales of wages for A, B, C, D and E grades, the E grade representing the unskilled worker. In view of the revision of the basic wage and dearness allowance of the unskilled workers recommended by us, a revision in respect of other grades is necessary. However, we do not consider it necessary to maintain the existing proportion of differentials in the basic wages. There has been a tendency in other industrial countries for differentials to be narrowed down. In an Article on the Decline in wage differentials based on skill in the United States by Earl E. Murry of the New York University in the International Labour Review of June 1955, he has stated:

"It would appear from a comparison of the percentage differences between the wages paid to skilled and unskilled workers in the United States over the last 50 years that wage differentials are collapsing..... Thus in rather less than half a century the difference between the wages of 'high priced' skilled labour and those of so-called 'cheap' unskilled labour has been whittled away to such an extent that skilled workers receiving the median wage for their group now receive only 37 per cent. more than their unskilled mates."

The writer then proceeds to examine the forces narrowing the gap and concludes by saying:

"The trend toward closing wage differentials is positive. It can be, and has been, stimulated by practices of employers, of organised labour, and of Government."

In an Article on the subject of "The Devaluation of Skill" in the London 'Economist' of 4th June 1955 certain statistics have been given which show prominently the narrowing of differentials in England for four major industrial groupings:

*Skill differentials in four industries
(Time wage rate of skilled worker as percentages of unskilled)*

Year		Building	Ship-building	Engineering	Railways
1914	..	150	181	171	184
1939	..	131	136	132	163
1954 (April)	..	114	118	116	128

It will thus be seen that the narrowing of differentials is general and our country is no exception.

9.24. On this subject, very recently Shri Gulzari Lal Nanda, the Union Labour Minister, in the course of his speech in the Lok Sabha on 4th April 1959, stated:

"There is the question of differentials. We want that the disparities of income in the community in general should be reduced and narrowed down. That must apply to the working classes *inter se*. The differentials should be suitable, not excessive. Over this period, whatever policies have been followed by the courts and tribunals have led to a

considerable narrowing down of these disparities. That is, people lower down have benefited more." -

9.25. In a subsequent Chapter we have given our recommendations regarding the wage structure for categories of operatives other than the lowest unskilled workers. In them we have borne in mind the necessity of narrowing differentials. Not only is it sound in principle to narrow down differentials, but it is also necessary from the point of view of not putting more burden on the Industry than is necessary. At the same time we have not overlooked the fact that there is a considerable shortage of skilled workers, and the process of narrowing down cannot be carried so far that it may serve as a disincentive to the acquisition of skill.



CHAPTER X

BONUS

10.1. One of the terms of reference requires us to work out the principles that should govern the grant of bonus to workers in the Cement Industry. The bonus formula of the Full Bench of the Labour Appellate Tribunal at present holds the field. It has been approved by the Supreme Court in a number of recent decisions and some points in regard to it cleared up. The employers and the Federations of employees in the Cement Industry have in their replies to the Questionnaire made suggestions which, by and large, consist of some modifications in the Full Bench formula of the Labour Appellate Tribunal. Various suggestions by way of modification of the formula were also made in the arguments advanced at the public hearings of the Board. The modifications suggested by the employers were quite unacceptable to the Federations of Unions in the Cement Industry and *vice versa*. In the discussions by the Board various formulae were discussed. But it has been found that there is such a divergence of views among the Members that no useful purpose will be served by this Board in making any recommendations with regard to the principles which should govern the grant of bonus to workers in the Cement Industry. The position, therefore, remains as it is, *viz.*, that bonus disputes if not settled by negotiations would have to be decided by arbitration or adjudication.



CHAPTER XI

THE CAPACITY OF THE INDUSTRY

11.1. By our terms of reference we are required to base our recommendations on the principles laid down by the Fair Wages Committee Report and a fundamental recommendation of the Committee is that fair wages should depend on the capacity of the Industry to pay. We have already indicated our view that, though it is not part of the terms of reference, the Resolution of the Fifteenth Labour Conference recommending that any wage paid should be need based and prescribing the norms thereof is important and would have to be borne in mind. As Government was a party to the Resolution and itself fixes the retention or acquisition price (the price paid to the producer) of cement, it is reasonable to expect that Government will provide the conditions necessary for implementing the Resolution by increasing the retention price to enable the industry to pay the need based wage.

11.2. In considering the capacity to pay one has to bear in mind that there are, in this Industry, units which though small in number vary widely in respect of the age of the plant, process, cost of raw materials, method of working, etc. The cost of production, the profit margin of the Industry and the price structure have been the subject of careful examination by the Tariff Commission and Government. In the course of the last five years the cost structure and the profit margin have been meticulously scrutinised and determined twice by the Tariff Commission. The Tariff Commission's Reports of 1953 and 1958 contain a good deal of information on the fixation of a fair price in the industry.

11.3. It is convenient at this stage to consider the implications of this position. Firstly, it was the function of the Tariff Commission to determine a fair price, fair to the producer and to the consumer. Secondly, this price and the profit margin therein has been fixed on the basis of the cost of production, including labour costs obtaining at the time of the Tariff Commission enquiries. Thirdly, these prices and profit margin considered as fair by the Tariff Commission have also been accepted as fair by Government and have received statutory recognition, as the price is notified under a statute. Lastly, in the way the Tariff Commission has fixed the price per ton, which includes the profit element per ton, the actual realisation of the profit is dependent on production and offtake coming to the expectations and estimates on which the Commission fixed the price and profit element per ton. If the production and/or sales fall below estimates, expected profits are not realised, while any increased costs such as increased wages, would nevertheless continue to operate.

11.4. It follows from all this that in the circumstances of the price fixation in this Industry, where the cost structure and profit margin have been rigidly fixed by the Tariff Commission, there is little scope for increasing the costs of any factor of production including labour costs beyond any leeway specifically provided for the purpose, e.g., contingency allowance, escalator clause for likely coal price/increase, etc. The Tariff Commission has recognised this in the following passage at paragraph 14.2.3 (page 54 of its 1958 Report):

"The units concerned represented that as they were helpless in the matter of rebate we should include the incidence per ton in the final ex-works price for each unit in order that they may not be put to a loss through having to pay such rebates. We could not accede to this request in principle as we must treat all consumers, both Government and non-Government, alike in the matter of price and may not countenance the loading of the price to one set of consumers for the benefit of another set. At the same time it is unfair to ask producers when their prices are subject to strict control, and they have little or no means of absorbing losses, to part with even a fraction of a rupee per ton of cement, which, in the aggregate, will amount to sizeable sums of money. We, therefore, recommend that the system of rebates should be abolished or, in the alternative, the State Trading Corporation, as all-India distributor of cement, should be asked to pay the rebates, from out of the margin in its hands."

11.5. The wage increase we have proposed for unskilled workers who form the majority of the workers in this industry is substantial. Our estimate of the total incidence of all our recommendations regarding all categories of workers in the case of the Associated Cement Companies, Ltd., is given in Appendix VI and is Rs. 33.13 lacs which comes to Rs. 1.03 per ton for the first year, taking as a basis annual production at the figure of 32.11 lac tons for the last accounting year ending 31st July, 1959, and Rs. 46.19 lacs, which comes to Rs. 1.36 per ton for the second year on the basis of an assumed production of 34.00 lac tons. We have been able to give calculations only in respect of the Associated Cement Companies, which represents nearly 50 per cent. of the production in the industry, and in respect of which the necessary data were readily available locally.

11.6. We give below the break up of the acquisition price filed by Shri Dandekar of the Associated Cement Companies Ltd.

BREAK-UP OF "ACQUISITION" PRICE

As worked out by the Tariff Commission

							<i>Operative from 1-7-1958</i>	
							<i>A.C.C.</i>	<i>Whole</i>
							<i>Rs./Ton</i>	<i>Industry</i>
1. Ex-Works Cost (including depreciation)	.	.	:	.	.	44.16	45.55	
2. Allowances for :								
Contingencies	.	.	.	.	.	2.00	2.00	
Rehabilitation	.	.	.	.	.	2.00	1.38	
3. "Profit margin", covering :								
Interest on borrowings								
Bonus to employees,								
Managing Agents								
Commission,								
Taxation,								
Net Profit.								
4. "Rounding Off"	.	.	.	.	.	0.32	0.26	
Total Acquisition Price*	.	.	.	.	.	58.00	58.10	

*Represents the price in rupees per ton of neat (unpacked) cement payable to Cement Producers for the compulsory sale of the entire cement produced by them to the State Trading Corporation.

11.7. So far as the contingency allowance is concerned, the employers have contended that it has already been wiped off by increase in the price of coal, freight, wages, etc. Here again we produce below the statements filed by Shri Dandekar of the Associated Cement Companies Ltd. and by Shri Poddar of the Sahu Jain group.

Statement filed by Shri Dandekar

"Absorption of Contingency Allowance etc. by increased costs—

The Contingency Allowance of Rs. 2 per ton and the benefit in rounding off amounting to Rs. 0.32 per ton have both been more than off-set already by the various cost increases listed below. (The incidence of these increases has been computed in respect of the same seven "representative factories" which were costed by the Cost Accounts Officer of the Tariff Commission):

<i>Particulars of Increased Cost</i>	<i>Incidence of Increased Cost per ton of cement</i>
(a) Rise in Inward Railway Freight since 1-10-1958 . . .	Rs. 0·88
(b) Levy of Electricity Duty at Bhupendra since 1-4-1958 . . .	Rs. 0·31
(c) Rise in the controlled price of coal by Rs. 0·75 per ton since May 1958 and its subsequent reduction by Rs. 0·34 per ton from October 1958	Rs. 0·15 (net)
(d) Rise in labour cost due to long-term settlements substantially enhancing workers' emoluments etc., representing the incidence of 3 factories <i>not</i> taken into account by the Cost Accounts Officer (as such settlements at our Madukkarai, Khalari and Kistna Works had not then been reached)	Rs. 0·21
(e) Increase in excise duties on tyres and diesel oil from 1-3-1959 . . .	Rs. 0·10
(f) Increase in works cost due to fall in offtake resulting in overall production being at 95 % of the rated capacity, as against 100% assumed by the Tariff Commission	Rs. 0·80
	<hr/> <u>Rs. 2·45</u>
To which must be <i>added</i> the incidence of commission payable to stockists @ Rs. 1·50 per ton, <i>not</i> allowed by the Tariff Commission in ex-Works cost	Rs. 0·75 "

Statement filed by Shri Poddar

"Incidence of increase in costs due to factors other than slacking of demand not taken into account in Tariff Commission costs

(Per ton of cement)

Factors	Rohtas Industries	Ashoka Cement	Jaipur Udyog	Sone Valley
	Rs.	Rs.	Rs.	Rs.
Freight on limestone . . .	0.75	0.75	0.75	..
Freight on coal	0.18	0.18	0.47	0.18
Freight on stores	0.05	0.05	0.07	0.05
Price of imp. stores, coal, etc. . .	0.25	0.25	0.25	0.25
Freight on gypsum	0.06	0.06	0.06	0.06
Merchandising expenses . . .	0.50	0.50	0.50	0.50
TOTAL . .	1.79	1.79	2.10	1.04

This excludes Rs. 1.5 stockists' commission which we have started to pay."

11.8. We have not the material before us to accept or reject the contention of the employers that the contingency allowance and the element for rounding off have already been absorbed by increases in cost. But a *prima facie* case has been made out that on the present retention price allowed to the producers the Industry has not the capacity to bear the increase in wages recommended by us. It will, therefore, be necessary for Government to examine this point and revise the retention price paid to the producers if it is satisfied that there is in fact no such capacity or insufficient capacity to meet the incidence of the increase in wages recommended by us.

11.9. Shri Dudhia, who appeared for the Indian National Cement Workers' Federation, made the following submissions: that the Industry can afford a substantial increase, that even if the existing wage is doubled, the increase in price of cement need not be more than Rs. 5 per ton; that the labour cost in the cost of production of cement was small as against 50 to 60 per cent. in the coal industry, and that the Collieries Tribunal estimated that the 40 per cent. increase in wages awarded by it would only require an increase in price of Rs. 3 per ton of coal, which would not have any material effect on the economy of the country; that the dictum of Dr. Burns in "The Wages and the State" and accepted by the U.P. Labour Enquiry Committee, *viz.*, "Almost any wage may be described as the wage the industry can bear" should be borne in mind; that the Companies have progressed well in the past in respect of capital, block, production, profits and dividends, as is evident from the tabulated statements given in the latest Tariff Commission's Report; that dividends paid are not a good test of the profits making capacity of the Industry; that the ratio of profits to net worth as stated in the Reserve Bank of India Bulletin (May 1958, page 609) is a more appropriate index and cement shows the highest index; that in the past the increase in production has been spectacular; that the future prospects for the industry are very bright as the Second Five Year Plan has set out the target at 16 million tons while the present production is much below this; that there is a tremendous scope for the future because the *per capita* consumption of cement in India is as low as 30 lbs. as against 700 lbs. in the most advanced countries; that an Industry which cannot pay a minimum wage does not deserve to exist or should be subsidised by Government.

11.10. Shri Sule's arguments on behalf of the All India Cement Workers' Federation were more or less to the same effect.

11.11. While we shall discuss later Shri Dudhia's other contentions, we propose to deal with some of them here. We are unable to accept Dr. Burns' dictum referred to above or with that approach to the question. It would also be contrary to the principle laid down by the Fair Wages Committee that the upper limit of the fair wage is set by the capacity of the Industry. We cannot also forget that cement is a developmental commodity and has an essential place in the context of the Five Year Plans and that, as pointed out by India Cements Ltd., "the price to the consumer of cement today in this country is perhaps the highest in the world". We are conscious that we should do nothing to inhibit the production of so vital a commodity.

11.12. We think that dividends paid over a course of years and the reserves built up are a fair test of the profit making capacity of an industry. Although the reserves built up are not large, we are satisfied that the Industry as a whole is a stable

and profit making industry. As regards labour cost, the Report of the Tariff Commission does not give the full picture, as the quarry labour cost is included in the cost of raw materials. The theory that an industry which cannot pay a minimum wage has no right to exist is relevant and applicable only with reference to the minimum subsistence wage. The wage we are recommending is not a subsistence wage; it is need based, according to the norms prescribed by the Indian Labour Conference and is a "fair wage" within the meaning of the term given by the Fair Wages Committee. In the special circumstances of an under-developed economy and in view of the importance of the Cement Industry, we cannot look with complacency at any unit closing down because of inability to pay a fair wage. However, this contingency is only academic and theoretical and will not arise in view of what is stated elsewhere in this Chapter about increase in the retention price.

11.13. Dr. K. R. Paymaster, Secretary, Association of Trade and Industry, addressed us and has in addition filed a Report made by the Association on the Financial Trends and Productivity in the Cement Industry. In his Report and evidence Dr. Paymaster has compared the Industry with other industries in this country and with the cement industries in other countries. As a result of his research Dr. Paymaster has come to the conclusion that, judged by many of the well-known yardsticks used by economists for measuring the health and performance of an industry, the Cement Industry in this country has not been doing as well as would appear on the surface. Some of the yardsticks he has used are: record of dividends now and in the past; the rate of accumulation of reserves; the ratio of reserves to capital; the ratio of "owned" funds to "borrowed" funds; the increasing dependence and resort to borrowed capital for financing and maintaining production and development; the proportion of distributable surplus distributed as among shareholders, workmen and the industry; the extent of plough back of profits. Even if the data adduced are accepted, there can be differences of opinion as to their interpretations and conclusions to be drawn from them.

11.14. We now proceed to deal with the contentions of the employers in this matter. Shri N. Dandekar whom we have had occasion to quote before, stated in his evidence flatly, "I can say with the greatest emphasis that the capacity of the industry to pay is precisely nil". In support of his argument he relied on four statements filed by him showing (1) the break-up of the acquisition price, reproduced in paragraph 11.6 (2) the break up of the selling price of cement reproduced in paragraph 11.33 (3) the absorption of contingency allowance by increased costs, reproduced in paragraph 11.7 and (4) the progressive increase in annual rated capacity assumed by the Tariff Commission. This last statement is reproduced below and shows that the output estimated by the Tariff Commission has not been and is not likely to be achieved.

"Annual rated capacities at the end of each year.

As assumed by Tariff Commission — & — As achieved or expected

(In lakh tons)

Name of Factory	1957	1958	1959	1960	1961
1. Porbandar	0.42	0.42	0.42	0.42	1.65
2. Lakhari	3.50	3.50	3.50	5.15	5.15
3. Dwarka	2.20	2.20	2.20	3.35	3.35
4. Banmor	0.60	0.60	0.60	0.60	0.60
5. Kymore	3.60	5.25	5.73	5.73	5.73
6. Shahabad	4.00	4.00	5.65	5.65	5.65
7. Madukkarai	2.80	2.80	2.80	2.80	2.80
8. Khalari	1.00	1.00	1.00	1.00	1.00
9. Kistna	2.55	2.55	2.55	2.55	2.55
10. Bhupendra	4.00	4.00	4.00	4.00	4.00
11. Chaibasa	2.10	3.10	4.80	4.80	4.80
12. Sevalia.	2.00	2.00	2.00	2.00	2.00
13. Sindri	2.00	3.00	3.00	3.00	3.00
14. Mancherial . . . . .	..	3.30	3.30	3.30	3.30
15. Drug . . . . .	..	..	..	2.50	2.50
16. Yeraguntla . . . . .	..	..	..	..	1.65
<i>A Total, as assumed by the Tariff Commission</i>	<i>30.77</i>	<i>37.72</i>	<i>41.55</i>	<i>46.85</i>	<i>49.73</i>
<i>B Actual (and estimated) installed capacity at the end of each year.</i>	<i>30.77</i>	<i>34.42</i>	<i>38.20</i>	<i>41.55</i>	<i>43.20</i>
<i>C Average capacity for each year</i>	<i>30.29</i>	<i>32.30</i>	<i>36.00</i>	<i>40.50</i>	<i>42.65</i>
<i>D Actual/Estimated production for each year</i>	<i>30.34</i>	<i>31.00</i>	<i>34.20</i>	<i>38.48</i>	<i>40.52²²</i>

11.15. In its written memorandum the Associated Cement Companies Ltd. has stated as follows:

"Any significant rise in the existing level of wages would adversely affect the present and future level of employment through the closing down of the marginal units in Industry and the absence of new units being brought into existence. Even in the remaining units, such an increase in wages would hasten the pace of mechanisation and thus correspondingly reduce the scope of employment. By and large, the existing wages reflect the contribution of labour to the production pool and can be taken to be in adjustment with the remuneration of other factors of production, such as management and capital. Any appreciable increase in wages unaccompanied by any corresponding increase in the contribution of labour to production would, therefore, upset this balance and through diminished returns to capital, not only adversely affect present production but seriously jeopardise future expansion. As regards the effect of higher wages on efficiency, it is possible to argue that, till the optimum level of wages is achieved, a wage increase can promote efficiency but beyond the optimum level of wages, the same functional relationship between wages and efficiency does not exist."

11.16. Dalmia Cement (Bharat) Ltd. and Orissa Cement Ltd. have stated that the retention prices allowed to the cement companies are quite low. They have relied on the low yield on investment in Cement Industry, as shown by the following statistics:

Yield on variable dividend Industrial Securities
Tax free rates

	1957-58
Paper	7.62
Cotton Textiles	7.22
Chemicals	6.57
Sugar	6.28
Jute	5.47
Cement	5.76
Iron and Steel	4.98
 Total for all securities	 6.88

(Reserve Bank of India Bulletin, May 1958, page 609).

To this, Shri Dudhia, who appeared for the Indian National Cement Workers' Federation, replied that the dividends paid are not a good test of the profit-making capacity of the Industry, and that the ratio of profits to net worth is the more appropriate index of profit-making capacity. Reliance is placed on the figures given in the Reserve Bank of India Bulletin of September 1957. They are given below (taken from pages 844 and 845 of the Bulletin). In the first column profits are taken as distributed plus retained profits, and net worth as paid-up capital plus all reserves (other than taxation and depreciation reserves).

Industry	Profits after tax as percentage of net worth	Dividends as per- centage of paid- up capital includ- ing capitalised reserves (ordi- nary shares)	Average 1951-55		
				Average 1951-55	Average 1951-55
1. Cotton Textiles	5.6	8.7			
2. Jute Textiles	5.9	10.0			
3. Other Textiles	3.7	3.0			
4. Iron and Steel	17.6	13.4			
5. Engineering	4.7	3.8			
6. Cement	11.0	9.2			
7. Sugar	10.0	11.3			
8. Paper	10.6	10.8			
9. Vegetable Oil . . . . .	..	2.7			
10. Chemicals	3.0	2.6			
11. Matches	11.0	10.8			
12. Coal	6.5	7.1			
13. Electricity Generation and Supply	7.3	6.9			
14. Shipping	5.1	3.5			
15. Tea	14.3	17.4			
16. Other Plantations	14.0	16.0			
17. Trading	4.9	6.7			
18. Land and Estates	1.6	1.8			
 19. TOTAL (including others)	 7.9	 8.1			

In the Bulletin it is further stated that the ratio shows the same trends as dividends, the two sets of figures being close to each other. Judged by either test, the cement industry is a stable, profit-making industry.

11.17. We give below the latest figures available of (1) Profits after tax as percentage of net worth (2) Dividends as percentage of paid-up capital, including capitalised reserves (ordinary shares). These figures are taken from the Issue of the Reserve Bank of India Bulletin for August 1959:

Industry	Number of Companies	Profits after tax as percentage of net worth	1956		1957		Dividends as percentage of paid-up capital, including capitalised reserves (ordinary shares)
			1956	1957	1956	1957	
1. Cotton textiles	204	7.8	..	..	10.7	7.9	
2. Jute textiles	44	..	3.2	..	4.2	6.2	
3. Other textiles	11	9.6	7.5	..	4.7	4.7	
4. Iron and steel	2	14.6	11.2	..	9.3	9.2	
5. Engineering	79	9.7	8.3	..	7.9	7.8	
6. Mineral oils	2	28.8	16.7	..	18.8	12.9	
7. Cement	11	10.8	7.7	..	8.7	9.9	
8. Sugar	72	9.0	9.4	..	12.1	11.8	
9. Paper	13	6.1	7.2	..	11.0	11.2	
10. Vegetable oil	15	3.7	..	..	3.3	3.4	
11. Chemicals	43	6.2	5.5	..	6.1	5.6	
12. Matches	4	8.2	3.5	..	10.9	10.9	
13. Coal	47	3.0	5.6	..	7.9	8.6	
14. Electricity generation and supply	21	6.7	7.9	..	6.4	7.4	
15. Shipping	10	10.9	11.6	..	8.1	8.2	
16. Tea plantations	167	11.4	3.9	..	16.1	10.0	
17. Other plantations	43	13.8	9.1	..	20.2	15.3	
18. Trading	41	6.7	4.5	..	6.7	6.3	
19. TOTAL (including others)	1001	8.7	6.2	..	9.5	8.7	

11.18. Dalmia Cement (Bharat) Ltd. has stated that "the capacity of the Cement Industry to sustain any increase in the wage bill should be considered with the background of the strict control of the price and distribution of cement. No further increase in the price to the consumer is possible without causing a set-back to production. So rigorous is the control on the cement price that on the one hand the producer is paid the minimum possible, on the other hand, the consumer is required to pay the very maximum. In such conditions, the industry can neither absorb the burden of an increase in the wage bill nor can the selling price be stepped up, as it is already at the demand inhibiting level. A number of Central Government projects and State Government projects requiring heavy allotments of cement are going slow because of financial stringency and difficulties in acquiring the required quantities of steel. At the same time, cement production is rapidly expanding. It has, therefore, become necessary to encourage public demand for cement and the need for a substantial lowering of the selling price is clearly indicated. If wages are fixed beyond the capacity of the Industry, it will impair its sound and stable working. It is important that capital gets a fair return. Otherwise, it would be impossible to attract further capital when required, whether for expansion of the Industry or for meeting the financial requirements of the existing units. It is essential that the confidence of the investor in the Industry be maintained and continued. Adequate provision for rehabilitation of the plant and equipment must also be recognised as indispensable to maintain the Industry in good health. In the Cement

Industry, particularly the process of cement manufacture being a continuous one, there is continuous need to rehabilitate the plant. In recognition of this, the Tariff Commission, while recommending fair prices of cement, have made provision in the price to provide for rehabilitation needs in the case of units which have plant and equipment of more than 10 years. This allowance is Rs. 4 per ton. About 50 per cent. of this will go towards tax and a sum of Rs. 2 per ton is set apart for rehabilitation. Borrowings from financial institutions have been the principal sources of funds for the Industry for financing its expansion projects. This explains how, notwithstanding the stringent conditions prevailing in the capital market and the unattractive yield on equity capital as compared to the yield on gilt-edged investments, the Industry has been able to go through a huge expansion programme. Adequate provision has, therefore, to be made for due repayment by the industry of its loan liabilities. In an Industry, where the price of the product is fixed after meticulous cost examination and where the price allows a fixed margin of profit over cost, there is no scope for the industry to pay a higher wage than it is paying. The expansion projects will receive a set-back if the wage bill goes up. The wages at present paid compare favourably with wage rates in comparable industries in the region." Orissa Cement Ltd. has expressed similar views.

11.19. The Sahu Jain group of Companies have advanced similar arguments and added that the wages in the Cement Industry are already on the higher side as compared to other industries in the region, and an increase in wages is likely to result in labour unrest by reason of shrinkage of employment opportunities. Kontas Industries Ltd. has further submitted that any increase in wages will lead to similar demands from workmen of the other factories owned by it at Dalmianagar, viz., sugar, vanaspati, asbestos, etc. It has a common labour organisation, policy and wage structure for all units. An increase in wages would lead to uneconomic working of some of the units and some would have to close down. The Company has further stated:

"It is not possible to maintain full production of cement due to slackening of demand even at the prevalent cement prices. Any increase in manufacturing cost of cement would, therefore, further adversely affect production of cement and, therefore, result in lower level of employment. For the last several months, the Company has not been able to maintain production to its full capacity. One kiln out of the two has been idle since July 1958 and so the factory is running at a loss."

11.20. The Jaipur Udyog Ltd., one of the Companies of the Sahu Jain group has further stated that with the slackening of the offtake of cement, production has had to be considerably curtailed. The Company had 2 kilns operating till October 1958. In November a third kiln came into operation and in January 1959 a fourth kiln of higher capacity came into operation. For the last 3 months, only two of the four kilns are kept in operation. This has adversely affected the Company's financial position and it is anticipated the working results of the year ending March 1959 will show a loss, after allowing for depreciation.

11.21. The Andhra Cement Co. Ltd., has submitted that the wages paid by it are fair and any increase should be adequately compensated by an increase in the retention price payable to the producer. It has further submitted that an increase in the consumer price will increase consumer resistance. Ramkrishna Cements has stated that the question of wage scales in its factory is under review. It has further stated that an upward revision of wages will necessarily lead to an upward revision of the consumer price. It may curtail present employment and give a set-back to expansion projects as they are influenced by labour costs.

11.22. Shree Digvijay Cement Co. Ltd. has stated that an increase in wages will adversely affect the development of the Industry, create a tendency towards mechanisation of the quarries and other operations and thus have an adverse effect on employment.

11.23. The Director of the U.P. Government Cement Factory has stated that the wages paid by it are fair. The wage level in the Cement Industry is already high and an upward revision will adversely affect production. Employment in the quarries would be affected as efforts to intensify mechanisation in the quarries would be made. An increase in labour costs will also affect expansion schemes.

11.24. The General Manager of the Mysore Iron and Steel Works, a Government Cement Factory has stated that an upward revision of the wage structure will affect it adversely as this factory has been classified as a high cost unit by the Tariff Commission. He has further stated: "We do not publish a balance sheet since we are a Government owned concern."

11.25. Dalmia Dadri Cement Ltd. has stated that an upward revision of wages would induce the Industry to introduce labour saving devices in quarries, etc., and thus unemployment would increase and there would also be a set-back to expansion projects. Similar arguments have been urged by the Kalyanpur Lime and Cement Works Ltd.

11.26. The India Cements Ltd. has its factory at Talaiyuthu in the Tinnevelly District of the State of Madras. It has stated that the existing wages are fair and 20 per cent. higher than the wages for similar occupations in South India. Any upward revision of wages must be borne by the State Trading Corporation. At

present, the Industry works on a minimum profit making basis as per retention price fixed by the Tariff Commission. It has further stated:

"The price to the consumer of cement today in this country is perhaps the highest in the world and the return to the industry is also perhaps the lowest in the world, with the result that the industry will soon be faced with the problem of disposal of production which may perhaps lead to partial or full closure of production."

It might be mentioned here that the Tariff Commission has stated that this unit continues to be a high cost unit since 1953 solely because of the disadvantage it suffers in the price of coal.

11.27. The Travancore Cement Ltd. has stated that any upward revision of wages would be beyond its capacity., 'The Bagalkot Cement Co. Ltd. has stated:

"The Company came into existence for the purpose of putting up a cement factory in one of the most backward tracts of the then Bombay State. The Bijapur District was proverbial for recurring famines.....As the area was backward Government decided to encourage investment in this area by offering a guarantee of a minimum dividend for the first five years. This was effected by law and did have considerable effect in attracting investment and the company paid to the shareholders 3 per cent. guaranteed dividend for the first five years. By this time the Company's factory at Bagalkot went into production. The Company, in terms of its agreement with the Government of Bombay has been paying, since the year of production a dividend of 6 per cent. taxable to the shareholders and is making a refund to Government of the money spent by them for implementing their guaranteed dividend. The Company has not been able to make any reserves. The depreciation money has been utilized in providing for expansion of the factory as the demand for cement in that particular area has grown more than expectation. The Company employs a large number of workers, who are mostly agricultural workers and not trained in industrial activity. The productivity of labour is very poor in Bagalkot area and incidence of absenteeism very alarming."

11.28. We now proceed to deal with the other contentions of the employers. It has been stated that the record of the dividends paid in this Industry, as compared with those in others is low both in relation to absolute amounts and in relation to the prime need for attracting fresh capital for expansion of this vital industry. We, however, consider that the industry has made good progress. Though the volume of production and its rate of increase, in and by themselves, are not an exclusive index of prosperity, the scale and magnitude of the increase in production over the last decade is certainly some indication that the shareholders and the Industry consider it profitable to invest in and to expand the industry. Very few units have not been paying dividends. In any event the profit-making capacity of an industry has to be judged as a whole and not by the marginal or weakest unit. We are satisfied that the industry has the capacity to pay the wages we have recommended provided, of course, the retention price of cement is increased suitably.

11.29. On the question of the future prospects of the Industry, we have to take a long term rather than short-term view. Cement is a basic commodity and is bound to be required in large quantities with the progress in the development plans of the country. The per capita consumption of cement in India is much lower than in most of the industrially advanced countries, and it would be reasonable to expect that the industry will continue to expand with the growth in the consumption of cement in the country and the potencies of the Third Five Year Plan. The Tariff Commission has also struck a note of optimism in its 1958 Report. This optimism has also been endorsed by Dr. A. G. Tendulkar, Director of the Bagalkot Cement Co. Ltd., in an article in the Annual Issue of the "Commerce" of 1956.

11.30. As against this, the employers have drawn attention to the recent slackening of the demand, resulting in some factories shutting down some of the machinery units. This was vividly brought home to us at some factories, by the mountains of cinder accumulation and by the silent and stationary mills and kilns. The slackening of the tempo began even before the last Tariff Commission inquiry and the Commission itself has noted it. In a recent article written in January 1959 and published in 'Industrial and Engineering Manual', Dr. Hattiangadi expresses grave apprehensions at the repercussions of the slackening of demand. Shri Dandekar in his evidence indicated that the Second Plan target was over-ambitious. He has put in a statement reproduced at paragraph 11.14 to show that during 1957-61 the Installed Capacity and Production in the case of A.C.C. as assumed by the Tariff Commission have consistently not been achieved. This is also borne out by the index figures of cement production given in Table 1A of the Economic Survey for 1958-59 published with the Budget proposals in February last. There is also the fact that at one stage Shri Manubhai Shah, the Minister of Industry, Government of India, suggested immediate curtailment of production, but the Industry suggested that this should be a remedy in the last resort. It has also been pointed out that Government has by the device of withholding foreign exchange in respect of new schemes already licensed, recognised that there is presently a surplus of production.

11.31. The causes for the slackening of demand are stated to be as follows in the Report of the Reserve Bank of India on Banking and Currency for 1958-59 and the Economic Survey 1958-59:

"The offtake of cement has gone down partly because some of the major irrigation and power projects have passed the stage of peak demand for cement and because shortage of steel has reduced construction activity."

It cannot be gainsaid that over the second half of the last year or so, there was a steady and considerable fall in production reflecting the fall in demand. Labour has contended that it is only a passing phase, while employers have said that it is a semi-permanent feature. Shri Dandekar expressed the view that it was too early to say whether the slackening will pass or has come to stay and implied that, therefore, the Board should not fix wages on the assumption that it is temporary. He, however, admitted that there are today pockets of shortage of cement, such as, Bombay State (as against the accumulation of stocks in certain other sectors): he said that it was due to the failure of the distribution system evolved by the State Trading Corporation with an eye to minimise the incidence of freight charges, etc.

11.32. At the time of writing this Report there are signs of improvement in the offtake. We cannot say whether this recovery is of a permanent nature or not. The trend of future demand is bound up with the successful implementation of the Five Year Plans. And, as stated above, on the question of the future prospects of the industry, we have to take a long-term rather than a short-term view, as our wage structure, particularly being a need-based wage structure, must rest on a long-term view and endure for some time.

11.33. We have determined what the wage structure should be. The Industry has made out a *prima facie* case that it has not the capacity to pay this on the present retention prices. The question of ways and means arises, how and from what source the additional funds should be made available to the Industry. Shri Dandekar has filed a statement which gives particulars of the break-up of the selling price of cement.

Break-up of selling price of cement

Particulars	Operative as on 1-4-1959			
	For A.C.C.		For whole Industry	
	Details	Total	Details	Total
	Rs./Ton	Rs./Ton	Rs./Ton	Rs./Ton
1. Acquisition Price		58.00	..	58.10
2. Packing Charges (April-June 1959)		11.54	..	11.54
3. Selling & Distribution Expenses :—				
(a) Freight Average	17.15		18.75	
(b) Selling Agent's Commission	1.50	18.65	1.50	20.25
4. To Government :—				
(a) Excise Duty	24.00		24.00	
(b) Rebate on sales to Government (average) . . . . .	.30		.30	
(c) PROFIT to State Trading Corp.	5.01	29.31	3.31	27.61
5. UNIFORM SELLING PRICE (to Consumers F.O.R. Destination)		Rs.117.50		Rs.117.50

NOTES : Item 2. This is notified every Quarter.

- Item 3(a)(i) A.C.C. Freight Average based on Aug. 58/Feb. 59 actuals.
- (ii) Whole Industry Freight Average based on Rs. 18.00 per ton given by C & I Ministry in August 58 plus Rs. 0.75 estimated increase since then.

Item 3(b) Actual.

Item 4(a) Actual.

Item 4(b) Government entitled to rebate of Rs. 1.00 per ton of cement sold by S.T.C. to them. About 30% of ACC cement was sold to Govt. during July 58/April 59. Assuming same percentage of Govt. sales for whole industry, the *average* incidence of Govt. sales on entire production works out at Rs. 0.30 per ton.

Item 4(c) This is residual and will increase/decrease according as *average Freight and Packing Charges* decrease/increase.

This statement indicates that there are three possible sources for increasing the retention prices (a) by increasing the price to the consumer, (b) by reducing the State Trading Corporation's profit, or (c) by reducing the excise duty. Normally, we would have considered it outside our province to suggest the source, but we are charged with the duty not only of fixing a fair wage but also with the duty of ensuring that our recommendations do not result in lay-offs, retrenchment and closure of units, which may be the case if the demand is reduced on account of a higher consumer price. Laying emphasis on this aspect of wage fixation, the Fair Wages Committee has observed in paragraph 24 of its Report as follows:—

"As regards the measure of the capacity, there are two points of view in the Committee itself. One view is that the wage-fixing machinery should, in determining the capacity of industry to pay, have regard to:—

- (i) a fair return on capital and remuneration to management; and
- (ii) a fair allocation to reserves and depreciation so as to keep the industry in a healthy condition.

The other view is that the fair wage must be paid at any cost and that industry must go on paying such a wage as long as it does not encroach on capital to pay that wage. The Committee consider that in this context the main objective of the fixation of fair wages should not be lost sight of. The objective is not merely to determine wages which are fair in the abstract, but to see that employment at existing levels is not only maintained but, if possible, increased. From this point of view, it will be clear that the level of wages should enable the industry to maintain production with efficiency. The capacity of industry to pay should, therefore, be assessed by the wages board in the light of this very important consideration. The wages board should also be charged with the duty of seeing that fair wages so fixed for any particular industry are not very much out of line with wages in other industries in that region. Wide disparities would inevitably lead to movement of labour and consequent industrial unrest not only in the industry concerned but in other industries"

11.34. We have been impressed by the evidence put before us that there is at present considerable consumer resistance on account of the high price of cement. In this matter we would refer to the submission made by the Builders' Association of India. It has made a representation to us in the course of which it has stated, *inter alia*, that any recommendation of the Board in regard to wages or bonus should not lead to any increase in the price of cement. It has further stated that the recommendations of the Board should not have the effect of forcing the marginal unit to close down and it is desirable that the *per capita* consumption of cement in India which is very low should be raised.

11.35. The State Trading Corporation's profit would appear to be a source which may well be tapped, but it is an uncertain source depending as it does on the freight incurred, on variations in packing charges and losses on export, if any.

11.36. We now turn to the third source which is Excise Duty. In our opinion, there appears to be justification for tapping this source. It may be recalled that when the Union Finance Minister increased the excise duty on cement from Rs. 5 to Rs. 20, while presenting his supplementary Budget proposals for 1957-58, he gave the specific reason that cement was in short supply and that it was necessary to inhibit the demand. This reason is no longer valid.

11.37. However, in the last analysis, it is a matter for Government to decide as a matter of policy and overall considerations of the country, from which source the funds should be found.

11.38. We now come to the question of estimating the increase in retention price that would be necessitated by our recommendations. It is not possible for us to adopt the procedure of the Collieries Tribunal which calculated the increase in the costs of production for three representative units, consequent on their recommendations. In the Cement Industry, the price has been determined by the Tariff Commission and fixed by the Government unit-wise. Therefore, the incidence of our recommendations on the price will vary from unit to unit depending on the proportion of labour costs to total costs of production in that particular unit which in turn will depend on such factors as the degree of mechanisation in the

quarries, the actual strength of labour, etc., etc. The increase in the retention price will have to be determined by the appropriate authority.

11.39. However, we have in Appendix VI worked out roughly the increase in labour expenditure that would be necessitated by our recommendations in the case of the Associated Cement Companies which represents nearly 50 per cent. of the industry. Allowing for the additional expenditure in respect of wages, etc. of the employees covered by our recommendations, it would appear that the increase in production cost would be about Rs. 1.03 per ton, in the first year and Rs. 1.36 per ton in the second year, to which extent an increase in the retention price would appear necessary. This is on the assumption that no part of the contingency allowance given by the Tariff Commission is available for meeting this increased cost. In cases of Companies where the labour costs per ton are higher, or where the existing wages are lower, the increase would have to be higher.

11.40. Some of the cement companies have represented that their financial position is not satisfactory and for this and other reasons, the wage recommendations of the Board should not be made applicable to them. These representations do not require any detailed examination or comment in view of the fact that we have recommended consideration by Government of an increase in the retention prices to meet the additional burden which will fall on these and other companies, as a result of the wage structure recommended by us. An increase in wages will not, therefore, in any way alter the position of these companies to their detriment. Moreover, when we are recommending a wage structure for the industry as a whole and it is our objective to bring about, as far as possible, a uniformity in the wage structure in the industry, it is difficult to entertain claims for exemption. The case of Kalyanpur Lime and Cement Works Ltd. and the newly established factories are, however, an exception and with these we shall deal in the succeeding paragraphs.

11.41. It has been represented by Kalyanpur Lime and Cement Works Ltd. that it gives 30 days' privilege leave, 15 days' casual leave, 15 days' sick leave and 10 days' holidays with pay. In neighbouring cement factories and in many other cement factories the total of such holidays and non-working days for which pay is given is 42 against 70 in this Company. The Company has estimated that the incidence of the extra leave privileges comes to Rs. 3.83 per head per month on the basis of the present wage. There is force in the contention that the total leave privileges and holidays in this Company are such that the Company's capacity in paying the wage recommended and for standing competition with other units of the industry in Bihar is affected. We think that the remedy lies in the Company and the local Union negotiating to bring the privileges regarding leave, etc. in line with the other factories in the region. Workers should realise that it would be difficult for the company to give the rise in the wage recommended by us when the number of days of leave and holidays with pay is much higher than in the other cement factories in the region. Therefore, there is a good case for revising these leave and holiday privileges. If there is no agreement between the Company and the Union, resort can be had to the machinery provided by the Industrial Disputes Act. The Workers' representatives on this Board, however, do not subscribe to the views expressed in this paragraph.

11.42. The next question for consideration is the exemption of new units. After we commenced our inquiries, three new units have come into production, viz., Mancheria, belonging to the Associated Cement Companies, the cement factory at Satna belonging to the Birla Jute Manufacturing Co. Ltd. and the factory at Panyam belonging to Panyam Cements and Minerals Industries Ltd. It has been the general experience that new units in the Cement Industry have to pass through initial difficulties or teething troubles. We are of the opinion that they should be allowed to settle down and should not be made liable for a certain period to pay wages at the same rate as in the well established units. We might mention that it was stated to us by the management of the U.P. Government Cement Factory that the factory had teething troubles for about three years after it started. Shri Duhlia who argued the case for the Indian National Cement Workers' Federation agreed that it is usual to exempt certain new units from wage regulation but he suggested that a lower wage may be prescribed and it should be stipulated that after a certain period they should pay the wage structure prescribed for the region. We are of the view that our recommendations with regard to the wage structure should not apply *in toto* to any new units for a period of 18 months from the time the factory goes into production. We recommend, however, that for that period the Companies concerned should pay 75 per cent. of the minimum wages and dearness and house rent allowances fixed by us for the various categories of employees in the cement factories and quarries in the region. If any infant factory is already paying more than 75 per cent., there would, of course, be no reduction. On completion of the period of 18 months the wage structure determined by us should apply. Our recommendation with regard to new units also applies where an existing unit starts a new factory in another place but does not apply when an existing unit is extended.

11.43. The last point to be considered in this Chapter is the question of giving a "phased" effect to the rise in the wage structure as recommended by us, i.e. to give effect to such increase in stages. For all employees at factories, quarries, etc. where our recommendations result in a jump of Rs. 25 or more over the existing

wages for unskilled workers, we propose to phase the rise by providing for a lower rise for the initial period of one year from the date our recommendations come into effect. The Employees' Representatives on this Board do not agree with this view and are appending a Minute of Dissent. We think such phasing will enable the full impact of our recommendation to be cushioned. It is a recognised principle that a sharp increase in wages may be appropriately phased over a period. We see no reason to depart from this equitable practice merely because it would be open to Government to sanction such an increase in the retention price of cement as would enable the employers to meet the burden of an immediate big jump in wages. The Employees' Representatives have in their Minute of Dissent referred to some anomalies resulting from the formula of phasing adopted by us. But some anomalies are inevitable in any general formula which is applied on an all-India basis. Furthermore we have recommended phasing only for a period of one year, which is a comparatively short period, after which our recommendations in regard to the wage structure will come into effect in their entirety.



CHAPTER XII

MISCELLANEOUS

12.1. In this Chapter we shall be dealing with certain matters not dealt with in the previous Chapters, as also with the question of whether our recommendations should be given retrospective effect as requested by the two Federations of workers in the Cement Industry.

12.2. In the course of our tour to Bihar and to South India it came to our notice that there are two Companies engaged in quarrying limestones for two Cement Companies. They are the Parshva Properties Limited in Bihar and the Agricultural Farms Limited, which is in the neighbourhood of the India Cements' factory at Talaiyuthu.

12.3. Limestone is the principal raw material for cement factories. Most Cement Companies own their quarries, and workers employed in limestone quarries supplying the bulk of their output to cement factories may properly be considered as workers engaged in the Cement Industry. It should not make a difference if the ownership of the limestone quarry is separated from the ownership of the cement factory to which it supplies limestone.

12.4. Parshva Properties Limited (formerly known as Dalmia, Jain & Co. Ltd.) has its quarries at Murli and Chutia, near Banjari, some 30 miles from Dalmianagar. The following information was given by the local Manager when the Board visited the quarries. At Murli the number of employees is 1,200 to 1,300. All labour is engaged on piece rates. In the quarry at Chutia it was learnt that about 1,200 workmen were employed through 40 contractors. It was stated to us that it was proposed to abolish contract labour there from 31st May 1959. Over 90 per cent. of the output of the quarries owned by Parshva Properties Ltd. is supplied to the Rohtas and Ashoka factories at Dalmianagar, both under the management of Messrs. Sahu Jain Ltd.

12.5. The Agricultural Farms Ltd. has its limestone quarries about 4 miles from the factory of India Cements Ltd. at Talaiyuthu. It employs about 500 workmen almost all of whom are unskilled. Stone breakers are given a consolidated wage of Rs. 1-8-0 per day, while workers engaged in loading, earthwork and trammimg are paid Rs. 1-2-0 (consolidated). There are 120 women workers who are paid Rs. 1-2-0 per day. The total production is 20,000 tons a month. It was stated to us by one of the Directors of the Company, who showed us round the quarry, that 85 per cent. of the limestone is supplied to India Cements Ltd. and the rest to local lime kilns and a carbide factory. The price at which the limestone is supplied to India Cements Ltd. is fixed by Shri Kruse, Manager of the factory of India Cements Ltd. on the basis of the quarrying costs in the Company's own quarry. The period of the agreement is 3 years. The Company has other agricultural properties which are leased on an annual rent of about Rs. 1,000. This is the only income of the Company from its agricultural lands most of which are not cultivated. Of the workmen at this quarry, 120 are engaged directly by the Company and the rest through 14 contractors. There is no Union at the quarry.

12.6. Subsequent to our visit, a copy of the Questionnaire was sent to both these Companies. They were also informed about the date of hearing, but they have not replied to the Questionnaire nor made appearance. We recommend that the wage structure prescribed by us should also apply to the workmen in the limestone quarries of the Parshva Properties Ltd. and to the limestone quarries of the Agricultural Farms Ltd. who are supplying the bulk of their output to the cement factories at Dalmianagar and Talaiyuthu respectively.

12.7. Our recommendations also apply to the employees engaged by the Travancore Cement Co. Ltd., in the work of taking out and transporting calcareous material from the sea to the factory, and also to the employees engaged in the island near Sikka from which calcareous material is taken out, and to the employees engaged in transporting the material by barges to the Sikka factory. Our recommendations also apply to the employees of the United Shippers Ltd. whether engaged in their own barges or barges lent to them by Shree Digvijay Cement Co. Ltd. for the purpose of transporting such material to the factory at Sikka.

12.8. To avoid disputes, we would state that our recommendations apply only to workers in the Cement Industry and have no application to employees engaged in other industries at the same place or elsewhere owned by any of the Cement Companies, e.g., the vanaspati, paper and other factories of Rohtas Industries Ltd. at Dalmianagar, the Refractories and Pottery Works, etc. of Dalmia Cement (Bharat) Ltd., the Refractory Works of Orissa Cement Ltd., etc.

12.9. Our recommendations do not apply to convict labour employed in the quarries which supply limestone to the U.P. Government Factory at Churk.

12.10. The next question to be considered is that of retrospective effect to our recommendations. Shri Dudhia who appeared for the Indian National Cement Workers' Federation, asked us to make our recommendations with retrospective effect from October 1954, and Shri Sule who appeared for the All India Cement Workers' Federation has made a similar request. The employers have strongly urged that no retrospective effect should be given. Shri Dandekar of the Associated Cement Companies Ltd. addressing us on the subject, said:

"Should the decision of the Board be retrospective? This is not a reference of a dispute to a Tribunal. The Board has been asked to work out a wage structure. It would be ridiculous, therefore, if such a wage structure is fixed retrospectively. Even Tribunals give retrospective effect only if a special case is made out. In the present case has there been a long gap since the last wage fixation? Has there been deliberate delay by employers in conceding any reasonable set of demands? There is no major deprivation that workers have suffered. On the contrary, during the last 1½ years there have been determinations by awards and agreements with unions increasing wages. Furthermore, where would the money come from to pay wages with retrospective effect? Are we to re-write the accounts and unplug money ploughed into machinery to pay wages with retrospective effect? I also submit that the question of retrospective effect is outside the terms of reference."

12.11. As regards the last point raised by Shri Dandekar, all the Members of this Board except the Workers' Representatives think it doubtful whether it is within the scope of our Reference to determine a wage structure with retrospective effect. If it was the intention of Government that we should consider this point, it would have been stated in the terms of Reference that the Wage Board could recommend from what date before or after the date of reference its recommendations should have effect. Assuming, however, that it is open to us to recommend a wage structure with retrospective effect, in our opinion, there is also no case for doing so. We may, in this connection, quote the All India Collieries Tribunal which refused to give retrospective effect to its Award, observing:

"In a progressive society concepts relating to social justice do undergo a change from time to time. We ourselves have seen what was considered to be a minimum wage a few years ago does not come up to the level of a minimum wage envisaged by the Fair Wages Committee's Report. To-day we have devised a wage structure which, according to us, satisfies the accepted notion on a fair minimum wage. A few years hence when ideas undergo a further change and the country has progressed, what perhaps we have written to-day may become out of date. But that is no reason why the employers who would have faithfully carried out what we have laid down should be penalised or called upon to pay what the representatives of labour would consider to be the arrears of wages in the event of a wage-fixing authority subsequently laying down a wage structure higher than what we have awarded now. We direct, therefore, that our Award shall come into operation from the date of its publication."

We may add that all parties have co-operated with us in the speedy determination of the matters which this Board has been called upon to decide; there has been no attempt on the part of the employers to delay the proceedings.

12.12. We are of the opinion that our recommendations should be given effect to from 1st January 1960. The Employers' Representatives on this Board are however of the opinion that until fair workloads are determined our recommendations regarding wages should not be brought into effect to the full extent proposed by us. We have dealt with this point in Chapter V. The Employers' Representatives are further of the view that, in any event, as the Industry has no capacity to pay the increased wages recommended, any such increase must take effect simultaneously with Government's decision on the revision of the retention price to be paid to the manufacturers. The other Members of the Board consider that the fixation of 1st January 1960 as the date when the recommendations of this Board should come into effect gives time to Government to consider the question of increase in the retention prices. And even if the decision cannot be reached by that date, it would be open to Government so to fix retention prices as to enable the employers to meet the expenditure on account of the increase in wages from 1st January 1960. The Workers' Representatives would add that the Board has not been able to give interim relief or retrospective effect to the recommendations, and workmen have been waiting long for the Report of the Wage Board, and it would not be fair to the workmen nor would it lead to harmony in the Industry if our recommendations are not given effect from 1st January 1960 at the latest.

CHAPTER XIII

RECOMMENDATIONS REGARDING WAGES, DEARNESS ALLOWANCE, HOUSE RENT ALLOWANCE, ETC.

In the light of our conclusions in the preceding Chapters, we make our recommendations below:—

Scope

13.1.1. Our recommendations should apply to workers employed at the cement factories and at the limestone quarries owned by the cement producers or supplying the bulk of their output to cement factories, and to workers employed by the cement producers in the transport of limestone from the quarries to the factory. They should similarly apply to workers employed at places where calcareous sand or shells are collected and clay is excavated, and to workers employed by the cement producers in transporting these raw materials to the factory.

13.1.2. Our recommendations should apply to workers employed directly or through contractors. Our recommendations do not cover workers employed by contractors where such workers are engaged on construction work and on purely temporary jobs not connected with the manufacturing process.

13.1.3. Our recommendations should apply to all cement factories (and to the quarries, etc. mentioned in para. 13.1.1) throughout India whether the factories are already in production or will come into production in future.

Minimum Wage

13.2.1. For workers employed in all regions except that mentioned in para. 13.2.2, the lowest wage should be Rs. 94 per month. Deducting Rs. 3 as the value of amenities provided by the employers, this will result in a cash wage of Rs. 91. The split-up of Rs. 91 should be Rs. 52 basic, Rs. 31.50 dearness allowance and Rs. 7.50 house rent allowance. The dearness allowance of Rs. 31.50 should vary with the All-India Consumer Price General Index—base 1949, as stated in para. 13.3.1.

13.2.2. For workers employed in the Gujarat and Saurashtra region of Bombay State, the lowest wage should be Rs. 101 per month. Deducting Rs. 3 as the value of amenities provided by the employers, this will result in a cash wage of Rs. 98. The split-up of Rs. 98 should be Rs. 52 basic, Rs. 38.50 dearness allowance and Rs. 7.50 house rent allowance. The dearness allowance of Rs. 38.50 should vary with the All-India Consumer Price General Index—base 1949, as stated in para. 13.3.1.

Dearness Allowance

13.3.1. The dearness allowance should be linked to the All-India Consumer Price General Index—base 1949. The datum line should be the All-India Consumer Price General Index for the month of July 1959 which is 123* points, on the basis of which the wage structure has been determined by us. The unit for variation of dearness allowance should be a rise or fall of two points in the Index with reference to this datum line. For each rise of the two points unit, the dearness allowance should be increased by the amount mentioned in para. 13.3.2. Similarly, for each fall of the two points unit, the dearness allowance should be reduced by the amount mentioned in para. 13.3.2. As it takes a few months for the All-India Consumer Price General Index to be compiled and published, the dearness allowance payable for a particular month should be based on the Index figure for the fourth month preceding. For example, the dearness allowance for July should be based on the Index figure for the previous March, and the dearness allowance for August should be based on the Index figure for the previous April, and so on.

13.3.2. As the lowest wage recommended for workers covered by para. 13.2.1 varies from the lowest wage recommended for workers covered by para. 13.2.2, there will be different amounts of rise and fall of dearness allowance. In the case of workers covered by para. 13.2.1 the increase or decrease of dearness allowance for each unit of two points should be Rs. 1.47. For the workers covered by para. 13.2.2 the increase or decrease of dearness allowance for each unit of two points should be Rs. 1.59.

13.3.3. These rates of increase or decrease of dearness allowance should also apply to the factories (and the quarries, etc.) which are to be phased according to the recommendation made in para. 13.5.1.

*At the time of finalising the Report, the figure 123 which was provisional for July 1959 was then available. The final figure for July as now published is 124, and the provisional figure for August 1959 is 125. The dearness allowance will, however, be linked to 123 (provisional) for July 1959.

13.3.4. Our recommendation that dearness allowance should vary with the All-India Consumer Price General Index—base 1949, should operate only after a period of six months from the time our recommendations come into effect. Therefore, without regard to the All-India Consumer Price General Index, during this period of six months, basic dearness allowance should be paid to all workers at the flat rate of Rs. 38.50 per month in the Gujarat and Saurashtra region and Rs. 31.50 per month elsewhere or, in the case of phased factories in these respective regions, at Rs. 28.50 and Rs. 21.50 per month.

13.3.5. For the sake of clarity, we give in Schedules I and II at the end of this Chapter, the dearness allowance which will be payable respectively to the workers covered by para. 13.2.1 and the workers covered by para. 13.2.2, at various points in the All-India Consumer Price General Index.

House Rent Allowance

13.4.1. A minimum house rent allowance of Rs. 7.50 per month should be paid to every employee. This will be deductible in its entirety in the case of employees who are allotted by the employers pucca quarters provided with electric lighting. The deductions in respect of quarters below this standard should be as follows:—

	Rs.
Pucca quarters without electricity	6.00
Quarters with pucca walls but kutcha roofs, with electricity	5.50
Quarters with pucca walls but kutcha roofs, without electricity	4.00
Kutcha quarters with electricity	4.00
Kutcha quarters without electricity	2.50

For this purpose, pucca and kutcha quarters are defined below:—

Pucca Quarters:

- (a) Walls Masonry.
- (b) Roof Reinforced concrete or tiled or asbestos/G. I. sheets.

Kutcha Quarters:

- (a) Walls Mud or bricks in mud.
- (b) Roof Mats, thatched, canvas, etc.

13.4.2. These rates of deduction should apply to unskilled and semi-skilled operatives who are housed. However, Rs. 7.50 is not to be regarded as the limit of house rent allowance payable or of rent deduction in respect of employees other than unskilled and semi-skilled operatives, who are entitled to or are provided with better type of quarters. Where skilled operatives or clerical and lower technical and supervisory staff are entitled to better type of quarters than unskilled and semi-skilled operatives, employers may pay such skilled operatives or staff higher scales of house rent allowance than the minimum of Rs. 7.50 per month. If employers pay higher house rent allowance to these employees and if they are provided with better type of quarters, such higher house rent allowance paid will be deductible in its entirety.

Phasing

13.5.1. The lowest wage recommended by us will result in a very big increase at a number of factories. In such cases, the increase should not therefore be given in one jump but should be phased so that the full incidence comes into effect one year after the initial increase given under our recommendations. Accordingly, at all such factories where by giving the lowest wages we have recommended in paras. 13.2.1 and 13.2.2 there would be an increase of Rs. 25 per month or more over the existing wage (comprising basic wage, dearness allowance, house rent allowance, if any, money value of grain concessions, if any, and any other cash allowances or cash payments given to the generality of unskilled operatives at any particular factory), the increase should be phased for all employees at such factories for a period of twelve months in the following manner:—

- (a) In the case of unskilled and semi-skilled workers, the dearness allowance should be Rs. 10 less per month than that recommended in para. 13.7.1. Accordingly, if any factories covered by para. 13.2.1 are to be phased, the dearness allowance for the first year will be Rs. 31.50 minus Rs. 10 = Rs. 21.50. Similarly, if any factories covered by para. 13.2.2 are to be phased, the dearness allowance for the first year will be Rs. 38.50 minus Rs. 10 = Rs. 28.50. These reduced dearness allowances will also be variable with the All-India Consumer Price General Index as stated in para. 13.3.3. After one year these dearness allowances will be increased by Rs. 10 over the figures of dearness allowance ruling at that time. If by this reduction of Rs. 10 in dearness allowance any unskilled or semi-skilled operative would receive less than the total

wage payable for a full month's normal working in the month immediately preceding that in which our recommendations take effect, such total wage should continue to be paid for a full month's normal working.

- (b) Skilled operatives and clerical and lower technical and supervisory staff should receive half the additional amounts payable under these recommendations at the time that they come into effect, and the remaining half after one year. The difference between the full total wage/salary and the total wage/salary payable during the phased period, should be reduced from the component of dearness allowance.
- (c) The phasing under (a) or (b) above, should not prevent the payment of the amount of annual increment due after one year.

13.5.2. As to which individual factories will be phased according to the above formula, this will be a question of fact based on the actual lowest wage (comprising basic wage, dearness allowance, house rent allowance, if any, money value of grain concessions, if any, and any other cash allowances or cash payments given to the generality of unskilled operatives at any particular factory), which is in force for the month immediately preceding that in which our recommendations take effect.

New Factories

13.6.1. New cement factories whether owned by existing cement Companies or otherwise (and the quarries, etc.), should be exempted, for a period of eighteen months from the month the factories go into production, from paying in full, the wages/salaries recommended in this Chapter for the various categories of employees. During this period such units should pay 75 per cent. of the wages/salaries recommended calculating each component of the total wage/salary (basic wage/salary, dearness allowance and house rent allowance) at 75 per cent. In the case of such new factories, the variation in dearness allowance should also be 75 per cent. of the variation recommended in paras. 13.3.1, 13.3.2 and 13.3.4. Any such factories already paying more than 75 per cent. of the wages/salaries recommended by us in this Chapter should however continue to pay such higher wages/salaries.

Wage Structure for Operatives

13.7.1. The grades, dearness allowance and house rent allowance for operatives should be as follows:—

	Basic Wage			Dearness Allowance			House Rent Allowance
	Min- imum	Annual Incre- ment	Maxi- mum	For workers cov- ered by para- graph 13.2.1.	For workers cov- ered by para- graph 13.2.2		
Rs. Rs. Rs. Rs. Rs. Rs. Rs.							
(a) Where operatives are monthly-rated .				Per month—			
E (Unskilled) .	52.00	1.30	62.40	31.50	38.50		7.50
D (Semi-skilled) .	57.20	2.08	73.84	31.50 + 5% of basic wage.	38.50 + 5% of basic wage.		7.50
C (Skilled, lower)	62.40	3.90	93.60	31.50 + 10% of basic wage.	38.50 + 10% of basic wage.		7.50
B (Skilled, upper)	83.20	5.20	124.80	31.50 + 10% of basic wage.	38.50 + 10% of basic wage.		7.50
A (Skilled, highly)	110.50	6.50	169.00	31.50 + 10% of basic wage.	38.50 + 10% of basic wage.		7.50
(b) Where operatives are daily-rated the equivalent daily rates will be :—							
Per day—							
E (Unskilled) .	2.00	0.05	2.40	1.21	1.48		0.29
D (Semi-skilled) .	2.20	0.08	2.84	1.21 + 5% of basic wage.	1.48 + 5% of basic wage.		0.29
C (Skilled, lower)	2.40	0.15	3.60	1.21 + 10% of basic wage.	1.48 + 10% of basic wage.		0.29
B (Skilled, upper)	3.20	0.20	4.80	1.21 + 10% of basic wage.	1.48 + 10% of basic wage.		0.29
A (Skilled, highly)	4.25	0.25	6.50	1.21 + 10% of basic wage.	1.48 + 10% of basic wage.		0.29

13.8.1. The daily rates fixed by us have been arrived at by dividing the minimum monthly wage (as defined in paras. 13.2.1 and 13.2.2) by twenty-six being the number of days normally worked in a month. Consequently, in determining the minimum wage the weekly off days have been taken into account and allowed for. Therefore, where operatives are paid on the basis of working days, no separate payment for the weekly days of rest should be required in order to comply with any regulation or legislation making payment for the weekly off obligatory. Where operatives are monthly-paid, no question arises of additional payment for the weekly days of rest.

13.9.1. The grades recommended in para. 13.7.1 for operatives should also apply to peons, watchmen, motor drivers, bungalow servants, bearers, cooks, malis, sweepers, ayahs, dressers, sanitary jamadars, club boys, ward boys, laboratory boys, testing boys, sampling boys, etc., employed by the Companies, who should be appropriately fitted into those grades. All our other recommendations throughout this Report in respect of operatives should also apply to the categories here enumerated.

13.10.1. Operatives who are already classified in grades A, B, C, D and E should be put into the new A, B, C, D and E grades respectively. This should not be taken to preclude the Union concerned from resorting to the machinery provided by the Industrial Disputes Act if it is dissatisfied by the classification in the case of any operative. Operatives who are not at present classified in this manner should be fitted into the new grades on the basis of skill, suitability and experience. This should be done by the employers after consulting the Unions within three months of our recommendations coming into effect and should have retrospective effect. If the Union is dissatisfied, the matter may be settled by arbitration provided that the two parties agree on the joint nomination of an arbitrator. Failing this, the machinery provided by the Industrial Disputes Act would be available.

13.11.1. Every operative who has put in at least twelve months' service when our recommendations come into effect should be given an increase of Rs. 5 per month over the total wage payable to him (comprising basic wage, dearness allowance, house rent allowance or rent value of the house provided, if any, money value of grain concessions, if any, and any cash allowance or cash payments, personal or otherwise) for a full month's normal working, in the month immediately preceding that in which these recommendations take effect. In the case of piece-rated operatives, the basic wage mentioned above should be the basic wage payable on the standard minimum workload. The rent value of housing provided mentioned above should be calculated on the basis provided in para. 13.4.1.

13.11.2. In the case of operatives who have put in at least twelve months' service, the new total wage should therefore be the total wage payable to each operative for a full month's normal working in the month immediately preceding that in which these recommendations take effect plus Rs. 5 or the minimum total wage of each grade arrived at by the recommendations made in para. 13.7.1, whichever is higher.

13.11.3. In the case of operatives who have put in less than twelve months' service, the new total wage should be the total wage payable to each operative, for a full month's normal working, in the month immediately preceding that in which these recommendations take effect, or the total minimum wage of each grade arrived as per the recommendations made in para. 13.7.1, plus the personal allowance if applicable, whichever is higher.

13.12.1. As regards dearness allowance, all existing dearness allowances paid to operatives should be substituted by the dearness allowances recommended in para. 13.7.1.

13.13.1. House rent allowance should be paid as already recommended in paras. 13.4.1 and 13.4.2.

13.14.1. Every operative drawing less than the minimum basic wage of his new grade should be brought up to such minimum indicated in para. 13.7.1. If the basic wage payable to an operative, for a full month's normal working in the month immediately preceding that in which our recommendations take effect, is higher than the minimum basic wage of his new grade, his basic wage should not be reduced. Further, if an operative's basic wage is higher than the ceiling of the new grade, such excess should be treated as his personal basic wage.

13.15.1. In all cases where the increase of Rs. 5 recommended in para. 13.11.1 becomes applicable to arrive at the new total wage, the components of this new total wage should be determined as follows:—

- (a) The basic dearness allowance should be Rs. 31.50 per month in the case of operatives covered by para. 13.2.1 and Rs. 38.50 per month in the case of operatives covered by para. 13.2.2.
- (b) On the basic wage of each operative as determined in (d) below, the percentage of dearness allowance recommended, *viz.* 5 per cent. for operatives in the D grade and 10 per cent. for operatives in the A, B and C grades should be calculated and added to the basic dearness allowance of Rs. 31.50 or Rs. 38.50, as the case may be.

- (c) House rent allowance should be as recommended in paras. 13.4.1 and 13.4.2.
- (d) The basic wage should be the minimum of their new grade for unskilled operatives in the E grade, who will receive a substantial increase in basic wages by being brought up to such minimum. The basic wages of skilled and semi-skilled operatives in grades A, B, C and D should be the minimum of their respective grades for those drawing less than such minimum. Provided that where the increase received by any operatives in bringing them to their respective minima is less than Rs. 7 for an operative in the A grade, Rs. 5.50 for an operative in the B grade, Rs. 4 for an operative in the C grade and Rs. 2.50 for an operative in the D grade, the total increase in basic wages should be brought up to Rs. 7, Rs. 5.50, Rs. 4 and Rs. 2.50 respectively. Also operatives in A, B, C and D grades who are already drawing the minima of their new grades or more should receive an increase in basic wages of Rs. 7, Rs. 5.50, Rs. 4 and Rs. 2.50 respectively. Furthermore, if by giving such increase of Rs. 7, Rs. 5.50, Rs. 4 or Rs. 2.50 in basic wages, the operative draws more than the ceiling of his new grade, such excess basic wage should remain personal to him. Provided that the increase of Rs. 7, Rs. 5.50, Rs. 4 and Rs. 2.50 for operatives in grades A, B, C and D recommended in this para. should not be given if it results in the new total wage exceeding the total wage paid to each operative, for a full month's normal working, in the month immediately preceding that in which these recommendations take effect plus Rs. 5, and should be given only to the extent necessary to ensure the increase of Rs. 5 per month.
- (e) The difference, if any, between the total wage and the sum of the basic wage and dearness allowance (basic as well as percentage) and house rent allowance should be treated as personal allowance which should not be set off against future increments or be reduced while the operative continues in the same grade. However, when an operative is promoted to a higher grade, the personal allowance may be set off against any increase in his basic wage at the time of such promotion and, if there is any balance left over, against subsequent increments in the higher grade. Provided that if an operative is promoted to a higher grade before he has reached the ceiling of his own grade, the personal allowance may be set off against the increase in his basic wage, if any, given at the time of such promotion, but any balance left over should not be set off against subsequent increments in the new grade until a point has been reached in the new grade equivalent to or higher than the ceiling of the grade from which the operative was promoted.

13.16.1. Wherever the new total wage of any operative includes an amount of personal allowance, he should not be adversely affected with regard to the Provident Fund contribution which is presently calculated on basic wage plus dearness allowance. If the sum of the new basic wage and the new dearness allowance is less than the sum of the basic wage and dearness allowance payable to any operative, for a full month's normal working, in the month immediately preceding that in which these recommendations take effect, such amount of personal allowance as would be necessary to make up the difference, for a full month's normal working or proportionately less in the case of less than a full month's normal working, should also count for Provident Fund contribution

13.17.1. The increase of Rs. 7, Rs. 5.50, Rs. 4 or Rs. 2.50 or part thereof recommended in para. 13.15.1 (d) and/or the maintenance of the quantum of basic wage recommended in para. 13.14.1, may put some operatives out of the pay-steps in their new grades. In every such case, the operative should be brought to the pay-step by adjustments at the time of two subsequent annual increments so that apart from the normal graded increment he receives in the first subsequent year an additional amount equivalent to at least half of the initial difference between his new basic wage and the next higher pay-step; provided that if the operative is less than two pay-steps below the ceiling of his grade by the increase of Rs. 7, Rs. 5.50, Rs. 4 or Rs. 2.50, as the case may be, he should be brought to the ceiling of his grade at the time of the first subsequent annual increment.

13.18.1. The existing piece-rates should be so adjusted as to enable piece-rated operatives to earn not less than the wage recommended by us for unskilled operatives in para. 13.7.1, on the basis of the existing workloads and other existing conditions. The proper method to do this will be to divide the new basic wage of Rs. 52 per month if the workload is fixed on monthly basis or Rs. 2 per day, on daily basis, by the existing workload in order to arrive at the new piece-rate, dearness allowance and house rent allowance to be paid as recommended for unskilled operatives in para. 13.7.1. Piece-rate workers should also receive the annual increments recommended for unskilled operatives in para. 13.7.1. Such annual increments given to piece-rate workers should be treated as additional basic wage not related to output.

13.18.2. If an employer considers the present workloads on the basis of which existing piece-rates have been fixed to be inadequate, he may alter them by agreement with the Union. If there is no agreement the machinery provided by the Industrial Disputes Act would be available to the employer.

13.18.3. Wherever piece-rates are introduced for a new job, e.g., to replace the contract system which will be abolished in quarry working (where it still exists), such piece-rates should be fixed by agreement between the parties. Where no agreement is reached, the employer may fix the piece-rates. If the Union is dissatisfied, the matter may be settled by arbitration provided that the two parties agree on the joint nomination of an arbitrator. Failing this, the machinery provided by the Industrial Disputes Act would be available.

13.18.4. As regards the question of a fall-back wage our recommendation is as follows. Whenever, as a result of reduced output due to causes beyond the control of the workers, the basic earnings of piece-rated operatives fall below Rs. 52 per month if the workload is fixed on monthly basis or Rs. 2 per day if the workload is fixed on daily wages, their basic earnings, in respect of the period in question, should be brought up to Rs. 52 or Rs. 2 as the case may be, dearness allowance and house rent allowance to be paid as provided in para. 13.7.1 for unskilled workers. However, where output and earnings are affected due to causes within the control of the workers (such as strike or go-slow in any part of the establishment), operatives should be paid for the actual output given. Where no work is provided and operatives are laid off, compensation will be paid in accordance with the Industrial Disputes Act.

Wage Structure for Clerical and Lower Technical and Supervisory Staff

13.19.1. The salary grades for the clerical and lower technical and supervisory staff should be as follows:

- I. Rs. 70—5—110/E.B./5—150 (Lowest clerical grade).
- II. Rs. 80—6—140/E.B./7—196.
- III. Rs. 90—8—170/E.B./10—250.
- IV. Rs. 100—10—180—12—204/E.B./12—300.
- V. Rs. 110—12—170—14—240/E.B./15—360.
- VI. Rs. 120—13—185—15—260/E.B./15—320—20—400.
- VII. Rs. 150—15—300/E.B./20—460.

13.19.2. Non-matriculates who are engaged in Grade I (the lowest clerical grade) may be started at Rs. 5 lower than the minimum of the grade, i.e., Rs. 65 per month.

13.19.3. We are recommending a separate grade for Tally Checkers (described as Tally clerks at some factories) as they rank below the category of clerical employees. The grade for tally checkers should be Rs. 60—4—80/E.B./4—100.

13.20.1. The grades for the clerical and lower technical and supervisory staff recommended in para. 13.19.1 should also apply to nurses, compounders, health visitors, sanitary inspectors, school teachers, etc., who should be appropriately fitted into those grades. All our other recommendations throughout this Report in respect of clerical and lower technical and supervisory staff should also apply to the categories here enumerated as well as to tally checkers.

13.21.1. All clerical and lower technical and supervisory staff drawing a basic salary upto Rs. 250 per month and who have put in at least twelve months service, when our recommendations come into effect, should receive an increase of Rs. 8 per month in the basic salary over that payable to them for a full month's normal working in the month immediately preceding that in which these recommendations take effect.

13.21.2. The increase to be paid to clerical and lower technical and supervisory staff covered by para. 13.21.1, at all such factories (and quarries etc.) where the increase in wages is to be phased for a period of twelve months as recommended in para. 13.5.1, has already been dealt with in para. 13.5.1 (b).

13.22.1. Every clerk in the lowest clerical grade at each factory (or quarry etc.) should be put into Grade I. Similarly, every tally checker should be put into the grade recommended in para. 13.19.3. If by the recommended increase of Rs. 8, clerks in Grade I or tally checkers have not come up to the minima of their grades, they should be brought up to such minima.

13.22.2. As regards other designations, the employer should allocate each designation which is in force at his factory relating to clerical and lower technical and supervisory staff to one or more of the grades recommended in para. 13.19.1. The employer should then indicate to each such employee the appropriate grade in which it is proposed to place him and the point at which he would be fitted into the grade.

13.22.3. This allocation should be done by the employer after consulting the

may be settled by arbitration provided that the two parties agree on the joint nomination of an arbitrator. Failing this, the machinery provided by the Industrial Disputes Act would be available.

13.22.4. Every employee should have the option to remain in his existing grade or accept the grade and pay-step indicated by the employer as provided in para. 13.22.2. The option to remain in his existing grade should be exercised by the employee within ten days of the employer indicating the appropriate grade and pay step as provided in para. 13.22.2, and once exercised should be irrevocable. If an employee does not exercise the option within this period, he should be deemed to have accepted the new grade and pay-steps indicated by the employer.

13.22.5. Every employee who chooses to remain in his existing grade should also receive an increase of Rs. 8 per month (or Rs. 4 per month where the increase is phased) in his basic salary. When an employee accepts the new grade, then so long as the quantum of annual increment in such new grade is less than the quantum of increment applicable to him in his old grade at the time our recommendations come into effect, he should continue to be eligible to annual increments at the rate of such higher quantum. In such an event the employee will continue out of pay-steps, and the recommendations regarding fitting-in in para. 13.23.1 should not apply. In every such case, the necessary adjustment should be effected to fit in the employee at the next efficiency bar or the ceiling of the grade, as the case may be.

13.23.1. The increase of Rs. 8 per month recommended in para. 13.21.1 may put some employees out of pay-step. In every such case, with the exception of any employee who, while accepting the new grades, would be eligible to the higher quantum of increments in his old grade as provided in para. 13.22.5, the employee concerned should be brought into the exact pay-step by adjustments at the time of two subsequent annual increments so that, apart from the normal graded increment, he receives in the first subsequent year an additional amount equivalent to at least half of the difference at the time of the initial adjustment between his new basic salary and the next higher pay-step. Provided that if the employee is less than two pay-steps below the ceiling of his grade by the increase of Rs. 8, he should be brought to the ceiling of his grade at the time of the first subsequent annual increment.

13.24.1. The clerical and lower technical and supervisory staff should be paid dearness allowance at the rate of 10 per cent. of their basic salary plus Rs. 47 per month in the factories (and quarries etc.) situated in the Gujarat and Saurashtra region and at the rate of 10 per cent. of their basic salary plus Rs. 40 per month in the factories (and quarries etc.) situated elsewhere. We have already proposed that operatives in the skilled grades A, B and C should be paid a dearness allowance of 10 per cent. of their basic wage plus Rs. 38.50 or Rs. 31.50 as the case may be. The component of Rs. 47 or Rs. 40 in the dearness allowance of the clerical and lower technical and supervisory staff should vary by the same amount, respectively, as the component of Rs. 38.50 or Rs. 31.50 in the dearness allowance of skilled operatives. Our recommendations will thus ensure that the dearness allowance of the clerical and lower technical and supervisory staff will constantly remain Rs. 8.50 per month higher than the dearness allowance paid to skilled operatives.

13.25.1. All dearness allowances current at the time our recommendations take effect in respect of clerical and lower technical and supervisory staff should be substituted by the pattern of dearness allowance recommended in para. 13.24.1. By such substitution, if the old dearness allowance is reduced, the amount so reduced should continue to be paid as personal allowance. This personal allowance should not be set off against future increments or be reduced while such employee continues in the same grade. However, when such an employee is promoted to a higher grade, the personal allowance may be set off against the increase in his basic salary and if there is any balance left, against subsequent increments in the higher grade. Provided that if an employee is promoted to a higher grade before he has reached the ceiling of his own grade, the personal allowance may be set off against any increase in his basic salary at the time of such promotion, but any balance left over should not be set off against subsequent increments until a point has been reached in the higher grade equivalent to or higher than the ceiling of the grade from which the employee was promoted.

13.25.2. Wherever a part of the dearness allowance previously paid to an employee becomes payable as personal allowance, he should not be affected adversely with regard to the Provident Fund contribution wherever he is governed by the Employees' Provident Fund Scheme, or contributions, are otherwise calculated both on salary and dearness allowance. Therefore, if the sum of the new salary and the new dearness allowance is less than the sum of the salary and dearness allowance payable to any employee, for a full month's normal working, in the month immediately preceding that in which these recommendations take effect, such amount of personal allowance as would be necessary to make up the difference should also count for Provident Fund contribution.

13.26.1. House rent allowance for clerical and lower technical and supervisory staff (as well as for operatives) has already been dealt with in paras. 13.4.1 and 13.4.2.

13.27.1. The salary structure for clerical and lower technical and supervisory staff (as well as the wage structure for operatives) applicable at new factories for a period of eighteen months from the time they go into production, has already been dealt with in para. 13.6.1.

13.28.1. In some factories (and quarries etc.) the total wage/salary is not divided into basic wage/salary, dearness allowance and house rent allowance, and consolidated wages/salary are paid. In such cases the consolidated wages/salary payable for a full month's normal working in the month immediately preceding that in which the recommendations come into effect, should be notionally regarded as being composed of:

- (a) A house rent allowance of Rs. 7.50.
- (b) Dearnness allowance as recommended by us for operatives in para. 13.7.1 and for clerical and other technical and supervisory staff in para. 13.24.1, subject to para. 13.5.1 and 13.5.2.
- (c) Basic wage/salary being the difference between the total wage/salary and (a) plus (b) above.

Our recommendations in this chapter regarding the total wage/salary and the components, thereof, should then be applied.

General

13.29.1. No employee should be adversely affected by these recommendations in respect of total emoluments payable to him, for a full month's working, in the month immediately preceding that in which our recommendations take effect. By total emoluments, we mean basic wage/salary, dearness allowance, house rent allowance or cash equivalent of free housing, if any, free/concessional supply of grain or fuel, and any other cash allowance or cash payment. As the requirements of food and fuel have been fully covered in arriving at the need-based wage, such supplies of foodgrains and fuel can be withdrawn. However, free or concessional supply of gur or oil or uniforms being made to certain employees as well as dust or heat or other similar job allowances being paid to certain employees should continue, and cannot be withdrawn by the employers without the concurrence of the workers. All other allowances would stand substituted by the components of the new total wage payable to the various categories of employees covered by our recommendations.

13.30.1. Our recommendations have been made after careful examination. No doubt, Government will decide the period for which our recommendations should remain in force, when they give effect to them.

SCHEDULE I

Schedule of variable dearness allowance based on All-India consumer price general index

(For factories, quarries, etc. situated in regions other than the Gujarat and Saurashtra region—See para 13.3.5)

NOTE : The figures are worked out to two decimals without any rounding off.

Index Figure	Per month	Index Figure	Per month
	Rs.		Rs.
90 { 91 }	7.85	104 { 105 }	18.19
92 { 93 }	9.33	106 { 107 }	19.67
94 { 95 }	10.80	108 { 109 }	21.15
96 { 97 }	12.28	110 { 111 }	22.63
98 { 99 }	13.76	112 { 113 }	24.11
100 { 101 }	15.24	114 { 115 }	25.58
102 { 103 }	16.72	116 { 117 }	27.06

Index Figure	Per month	Index Figure	Per month
118 }	Rs. 28.54	141 }	44.80
119 }		142 }	
120 }	30.02	143 }	46.28
121 }		144 }	
122 }	31.50	145 }	47.75
123 }		146 }	
124 }		147 }	
125 }	32.97	148 }	49.23
126 }		149 }	
127 }	34.45	150 }	50.71
128 }		151 }	
129 }	35.93	152 }	52.19
130 }		153 }	
131 }	37.41	154 }	53.67
132 }		155 }	
133 }	38.89	156 }	55.14
134 }		157 }	
135 }	40.36	158 }	56.62
136 }		159 }	
137 }	41.84	160 }	58.10
138 }			
139 }			
140 }			

SCHEDULE II

Schedule of variable dearness allowance based on All-India consumer price general index
 (For factories, quarries, etc. situated in the Gujarat and Saurashtra Region—See para 13.3.5)

NOTE : The figures are worked out to two decimals without any rounding off.

Index Figure	Per month	Index Figure	Per month
	Rs.		Rs.
90 }	13.02	102 }	22.58
91 }		103 }	
92 }	14.62	104 }	24.17
93 }		105 }	
94 }	16.21	106 }	25.76
95 }		107 }	
96 }	17.80	108 }	27.35
97 }		109 }	
98 }	19.39	110 }	28.94
99 }		111 }	
100 }	20.98	112 }	30.54
101 }		113 }	

Index Figure	Per month	Index Figure	Per month
114 }	32.13	139 } 140 }	51.23
115 }		. . . . .
116 }	33.72	141 } 142 }	52.82
117 }		. . . . .
118 }	35.31	143 } 144 }	54.42
119 }		. . . . .
120 }	36.90	145 } 146 }	56.01
121 }		. . . . .
122 }	38.50	147 } 148 }	57.60
123 }		. . . . .
124 }		. . . . .
125 }	40.09	149 } 150 }	59.19
126 }		. . . . .
127 }	41.68	151 } 152 }	60.78
128 }		. . . . .
129 }	43.27	153 } 154 }	62.38
130 }		. . . . .
131 }	44.86	155 } 156 }	63.97
132 }		
133 }	46.46	157 } 158 }	65.56
134 }		
135 }	48.05	159 } 160 }	67.15
136 }		
137 }	49.64		
138 }			

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CHAPTER XIV

SUMMARY OF OTHER RECOMMENDATIONS

14.1. Contract labour should be included within the scope of our recommendations (Para 3.2).

14.2. The staff at the Head Office and Branches should not be included within the scope of our recommendations (Para 3.16).

14.3. Apprentices and learners should be excluded from the scope of our recommendations (Para 3.17).

14.4. The wage structure should be determined for all categories of operatives, the clerical staff and the lower grades of the technical and supervisory staff (Para 3.18).

14.5. Workers in gypsum quarries are not workers in the Cement Industry and should not be included in the scope of our recommendations (Para 3.20).

14.6. The recommendation of the Tripartite Industrial Committee on Cement at Hyderabad that contract labour should be abolished in all operations connected with the manufacturing process (including quarrying operations), except loading and unloading operations, should be given effect to within six months of the publication of this Report in those Cement Companies where it has not already been done (Para 4.25).

14.7. The difficulties found by the Sub-Committee (of the Tripartite Industrial Committee on Cement) in the abolition of contract labour in loading and unloading operations still continue to operate. Contract labour should, therefore, be allowed to be employed in those operations ('loading' would include 'packing') (Para 4.26).

14.8. Wherever contract labour is employed in the Cement Industry, such labour should get the same wages, dearness allowance, leave, medical facilities, hours of work and overtime as departmental labour and they should get the same rate of bonus. Any benefits—other than these—granted under an award or settlement should continue during the pendency of such award or settlement (Para 4.27).

14.9. The employers should carry more direct responsibility to ensure that the contractors make payment to their labour on the employers' premises and in the presence of a representative deputed by the employer to check and supervise such payments (Para 4.27).

14.10. Contract labour employed on construction work and on purely temporary work not connected with the manufacturing processes (which has been excluded by the Industrial Committee on Cement from the scope of its Resolution regarding abolition of the contract system) would not be affected and the recommendations made in para 4.27 should not apply to such contract labour (Para 4.28).

14.11. Companies, which have not introduced the piece-rate system for work in quarries and in the departments of factories where measurement of work is feasible, should endeavour to do so. But when the piece-rate system is introduced, the rate should be so fixed that the piece-rate workers working at normal speed should earn not less than the time-rate workers and the other factors making for the successful working of the piece-rate system (given in the I.L.O. Publication 'Payment by Results') should be borne in mind. The Unions should afford all co-operation in doing so. When the piece-rate system is so introduced the wage structure and other provisions which have been recommended with regard to the piece-rated workers, would apply (Para 5.22).

14.12. Women should be paid the same wage as men wherever they are employed on the same type of work. In the few occupations in which women are exclusively employed, no distinction in the wage appears necessary, in view of the small number involved (Para 6.42).

14.13. 1 Existing gratuity schemes for operatives in the A, B, C, D and E grades recommended by us should be modified. Wherever gratuity is payable in terms of average basic wages earned during the last year or month of service, it should be computed as follows:

14.13. 2 The service period of the employee should, for the purpose of gratuity, be broken into two periods, the first period commencing from the date of appointment till the date immediately prior to the date from which our recommendations come into operation. In respect of the first period, gratuity should be calculated in terms of the average basic wage earned in the last month or year of the first period, as required under the gratuity rules. In respect of the second period, gratuity should be calculated in terms of the average basic wage earned in the last month or year of service (Para 8.7).

14.13. 3 Existing gratuity schemes in respect of workers of the A, B, C, D and E grades recommended by us which are on the basis of consolidated wages should be suitably modified so as to lessen the burden in view of the large increases in wages recommended. If there is no agreement between the Company and the Union, the machinery provided by the Industrial Disputes Act would be available (Para 8.8).

14.14. The existing differentials, which have been determined by custom and usage, local circumstances, experience in working over a number of years, awards and agreements, should be disturbed as little as possible. They may be presumed to represent a rough job evaluation (Para 9.14).

14.15. In the conditions prevailing in the Cement Industry, the classification adopted in the Associated Cement Companies Ltd., the largest unit in the Industry, of operatives into A, B, C, D and E grades, should be adopted (Para 9.23).

14.16. There is such divergence of views among the Members regarding the principles that should govern the grant of bonus to workers in the Cement Industry that no useful purpose will be served by the Board in making any recommendations. Therefore, bonus disputes, if not settled by negotiation would have to be decided by arbitration or adjudication (Para 10.1).

14.17. The Industry has made out a *prima facie* case that it has not got the capacity to pay the wages recommended on the present retention prices. It is, therefore, necessary for Government to examine this question and revise the retention prices paid to the producers, if it is satisfied that the Industry has not the capacity or has not sufficient capacity to meet the incidence of the increase in wages recommended by us (Para 11.8).

14.18. Out of the three possible ways of meeting the incidence of the increased wages recommended, *viz.*, (a) by increasing the price to the consumer; (b) by reducing the State Trading Corporation's profit, and (c) by reducing excise duty, there appears to be justification for tapping sources (b) and (c) (Para 11.34, 11.35 and 11.36). However, in the last analysis, it is for Government to decide as a matter of policy and overall considerations of the country, from what source the funds should be found (Para 11.37).

14.19. In the case of the Kalyanpur Lime and Cement Works Ltd., the total leave privileges and paid holidays are so much in excess of those prevailing in other cement factories that the Company's capacity to pay the wages recommended and for standing competition with other units of the Industry in Bihar is affected. Efforts should be made to revise these privileges. If there is no agreement between the Company and the Union resort can be had to the machinery provided by the Industrial Disputes Act (Para 11.41).

14.20. The wage structure prescribed should be applied also to the workmen in the limestone quarries of the Parshva Properties Ltd. and the limestone quarries of the Agricultural Farms Ltd., who are supplying the bulk of their output to the cement factories at Dalmianagar and Talaiyuthu respectively (Para 12.6).

14.21. The recommendations also apply to the employees engaged by the Travancore Cements Ltd., in the work of taking over and transporting calcareous material from the sea to the factory and also the employees engaged in the island near Sikka from which calcareous material is taken out and to the employees engaged in transporting the material by barges to the Sikka factory (Para 12.7).

14.22. The recommendations also apply to the employees of the United Shippers Ltd., whether engaged in their own barges or barges lent to them by Shree Digvijay Cement Co. Ltd., for the purpose of transporting such material to the factory at Sikka (Para 12.7).

14.23. The recommendations should not apply to employees engaged in other industries at the same place or elsewhere owned by any of the Cement Companies, *e.g.* the vanaspati, paper and other factories of Rohtas Industries Ltd., at Dalmianagar, the refractories and pottery works of Dalmia Cement (Bharat) Ltd., the refractory works of Orissa Cement Ltd., etc. (Para 12.8).

14.24. Our recommendations do not apply to convict labour employed in the quarries which supply limestone to the U.P. Government Cement Factory at Churk (Para 12.9).

14.25. Our recommendations should be given effect to from 1st January 1960 (views of Employers' Representatives different; Para 12.12; and Minute of Dissent by them).

CHAPTER XV.
CONCLUSION AND ACKNOWLEDGMENTS

15.1. We have come to the close of our Report. All aspects of the wage problem in this Industry, as a whole, have come up for review. We have recommended a need-based wage for the unskilled worker. Having regard to this wage, we have also recommended suitable wage structures for semi-skilled and skilled operatives and also for clerical staff and lower technical and supervisory staff. We have raised wages substantially for the lower paid workers, which is a step in the right direction.

15.2. On the present retention price, we have found that, *prima facie*, the Industry has no capacity to pay the higher wages recommended by us. No doubt, therefore, the question of granting necessary increases in the retention price allowed to the various producers will receive Government's attention.

15.3. For obvious reasons, it has not been possible to go into meticulous detail in respect of every aspect of the problems raised before us. Such matters as we have not been able to cover in our recommendations can be settled amicably between employers and labour. We hope, judging from the spirit and attitude of both parties before the Board, that these will be settled in a friendly manner.

15.4. We have endeavoured to the best of our ability to give labour in the Cement Industry a fair deal, consistent with justice to employers and with the continued prosperity of the Industry. It is our hope that there will be harmony in the Industry, and a concerted effort will be made to achieve the cement production required under the Plans.

15.5. Our sincere thanks are due to the Cement Companies and the Managers of factories visited by us (including the Director of the U.P. Government Cement Factory) for the wholehearted cooperation given to us, for showing us the factories, quarries, amenities, etc., and for making comfortable arrangements for our stay. We are indeed thankful to the Companies and their Officers for the trouble taken by them in making our task easier at every stage of the inquiry. We are also thankful to the Indian National Cement Workers' Federation and the All India Cement Workers' Federation for their co-operation at every stage of the inquiry.

15.6. Before concluding we also wish to express our appreciation of the services rendered by our staff who had often to work under high pressure. Our Secretary, Shri K. R. Wazkar, with his long experience of industrial matters and capacity for sincere and efficient work, has been of much help to the Board. He was popular with every one with whom he came into contact. As he did duty as our Secretary in addition to his work as Registrar of the Industrial Court, he had to work outside office hours almost daily. Shri M. B. Prabhoo did quiet, useful work as Assistant Secretary and was also of help in family budget investigations. We also wish to express our appreciation of the work of Shri B. D. Upasani, the Superintendent, who rendered us extremely useful service in generally looking after the establishment, putting up drafts, working out and arranging tour programmes, etc. He worked ungrudgingly outside office hours whenever necessary. He was also helpful, after a short period of training, in making family budget inquiries. Shri C. D. Bhosale looked after the accounts work of the office competently. We are thankful to the Investigators, particularly Shri H. S. Desai, for the hard work put in by them in making family budget and statistical inquiries, and in preparing various statistical statements from time to time. Our Stenographers, Shri K. P. R. Menon and Shri V. M. Marathe and Shri B. R. Rege, the Lower Division Clerk, deserve special mention for the hard work put in by them. Shri Menon was also helpful, after a short period of training, in collecting family budget data in South India.

15.7. We place on record our deep sense of gratitude to our esteemed colleague the late Shri Somnath Dave for the valuable suggestions made by him at the meetings of the Board prior to his sad demise. In him the Board has lost a sincere and helpful associate. The Board missed the advice and guidance of an experienced labour leader well known for his balanced views on labour problems.

M. R. Meher,
Chairman.

Members

Jogendra Singh
*V. H. Dalmia
†H. N. Trivedi
†I. M. Moinudeen
D. T. Lakdawala
*P. K. Mistry

K. R. Wazkar,
Secretary.
New Delhi, 7th October 1959.

*Subject to a Minute of Dissent and Explanatory Note.

†Subject to a Minute of Dissent.

MINUTE OF DISSENT

BY SHRI H. N. TRIVEDI AND SHRI I. M. MOINUDEEN

1. We the Workers' Representatives on the Board do not agree with the recommendations of the Board to phase the wages of all the employees in factories where Rs. 25 or more would be given to the lowest paid unskilled worker. Workers in these factories have been paid far below the minimum subsistence wages and much more below the need-based wage. Just because they have been suffering more than other workers in the past, they should not be paid lower than a need-based wage given to other workers for some more time. They should be immediately paid without any phasing the need-based cash wage of Rs. 91 and Rs. 98 respectively, which is unanimously decided by the Board. The Board has taken the lowest (improved) vegetarian diet as the basis to fix the need-based wage, and if this is not paid in full at this stage workers will lose faith in appointments of (Tripartite) Wage Board and discontentment will be more.

2. We could have understood our colleagues' argument about phasing if that was necessary in the interests of the preservation of the weak units. In the Cement Industry many units paying lower than Rs. 65 minimum wage and therefore entitled to be phased belong to a strong and stable Company controlling a large part of the Industry. In any case, an increase in the retention prices of cement is indicated as the major source from which higher wage costs would be met, whether for units belonging to the phased group or not. Phasing would only mean that the full incidence of the increase will be postponed by one year. No argument is advanced to prove that phased units will be able to meet a greater portion of wage increases from their own resources a year later than now. Under the circumstances a departure from the very salutary principle of an all-India minimum need-based wage is uncalled for.

3. The particular formula suggested by the majority is likely to lead to grave injustice and disparity. A workman at present getting a minimum total wage of Rs. 66 P.M. and below will be phased if the recommendation of the majority of the Wage Board is to be accepted. Therefore he will get Rs. 81 as revised minimum wage instead of Rs. 91 which is a need-based wage for the first 12 months. On the other hand, in concerns where a workman is at present getting a minimum total wage of Rs. 67, there will be no phasing and the worker will get Rs. 91.

4. The Wage Board in Cement Industry was first contemplated in 1954 at Hyderabad at the Tripartite Conference. In pursuance to the 15th Indian Labour Conference of June 1957 this Wage Board was appointed in April 1958 and it has taken 18 months to submit its recommendations. It has not given interim relief to the workers. In the meantime workers in cement factories have gravely suffered. Moreover, no retrospective effect is recommended by the Board. Under the circumstances no employee in any cement factory should be deprived of Rs. 10 from the need-based wage recommended by this Board even for some time.

5. Without prejudice to the above, we also disagree with the suggestion to include semi-skilled, skilled, highly skilled, clerical, lower technical and supervisory staff, etc. for the purpose of phasing along with the lowest paid unskilled workmen. These categories of employees do not get a big jump as in the case of unskilled workers in some factories. It is to be borne in mind that employees other than unskilled workers also have suffered for a long time. The phasing of these categories of employees will result in great injustice to them.

H. N. TRIVEDI.
I. M. MOINUDEEN.

MINUTE OF DISSENT BY SHRI V. H. DALMIA AND SHRI P. K. MISTRY

We regret we have to dissent from the majority view of the Wage Board that it is not feasible or possible to link the wage determined by the Board to a fair load of work. This majority view ignores a fundamental recommendation of the Fair Wages Committee, and it is also, in our opinion, against national interests.

2. The Terms of Reference of the Wage Board for the Cement Industry require the Board "to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages" and in doing so to bear in mind, *inter alia*, "the desirability of extending the system of payment by results."

3. One of the principles enunciated by the Fair Wages Committee is that a fair wage should be related to a fair load of work. At paragraph 18 of its Report, the Committee has stated:

"We are of the opinion that the wage fixing machinery should relate a fair wage to a fair load of work and that in case of doubt whether the existing work-load is reasonable or not, proper time and motion studies should be instituted on a scientific basis."

4. It is therefore incumbent on this Wage Board, when working out a wage structure according to the principles set forth by the Fair Wages Committee, to:

- (a) determine a fair wage;
- (b) make a scientific assessment of existing work-loads in case of doubt whether these are reasonable or not; and
- (c) relate a fair wage to a fair load of work.

5. The wage which the Board has recommended is a fair wage, and all the principles which the Fair Wages Committee laid down as governing fair wages must therefore apply.

6. The question of productivity is of vital national importance. The low productivity of the Indian worker and its impact on production costs were stressed in the address delivered to the members of Parliament in New Delhi by Dr. Gunnar Myrdal, former Executive Secretary of the Economic Commission for Europe. This has been quoted in paragraph 5.19 of this Report, but it bears repetition here:

"Around every piece of work to be done, there are too many workers hanging around. You are, of course, well aware of the fact, that a regular situation in some of the most modern factories in India is that a machine which in Sweden or Germany, the Soviet Union or the United States is serviced by one man or woman, here will need two, three, four or even five men. In spite of low wages the actual labour costs to the Industry then often comes up towards or above the levels in the richer countries with their higher wages but also higher labour efficiency. Your industry is then not competitive and will lack the strength for expansion."

7. Similar observations were made by Dr. Charles Myers, one of America's foremost experts on industrial relations. In his book 'INDUSTRIAL RELATIONS IN INDIA' Dr. Myers has stated at page 82:

"The visitor to Indian factories, particularly in the Cotton Textile and Jute Industries, is struck by the amount of loitering which he sees in the Mill yards. Workers have apparently left their machines, frequently without permissions, to go out doors for a smoke, to chat, or just to sit. Attempts to discipline them are either resisted by the workers with the help of union representatives, or are ineffective, according to many managements."

8. Overwhelming evidence such as this has made the nation pause and think over the dangers of wage increases which are not related in some way or the other to an increase in labour productivity. It is recognised in the Second Five Year Plan that "Improvement in wages can result mainly from increased productivity."

9. Shri Gulzarilal Nanda, Union Minister for Planning, Labour and Employment, when inaugurating the 26th Annual Meeting of the All-India Organisation of Industrial Employers on 21st July 1959 said:

"If they (workers) want more, there should be greater production, greater productivity. Whatever may be our goodwill for the workers, we cannot give them everything that they expect unless they step up production and productivity. Therefore, they have to work better."

10. In a resolution adopted at its Nagpur Session (1959), the All-India Congress Committee recognised that "wages and salaries should be increasingly dependent on

work done and on production and should be related to the conditions existing in India." The planning sub-Committee of the All-India Congress Committee in its report on the Third Five Year Plan, is reported to have stressed that "wages must be linked to productivity. Norms of productivity should be laid down and incentives (such as piece rates) should be offered to workers to increase their productivity". (Times of India, New Delhi, of 7th September 1959).

11. The first step to increase productivity is to determine fair work-loads and relate them to fair wages. The importance of fair work-loads has been discussed by Shri V. V. Giri, the veteran Trade Unionist and Administrator in his treatise on 'Labour Problems in Indian Industry.' He has observed at page 183:

"Workers cannot be allowed to carry an insufficient work-load, especially at a stage when the country is being rapidly developed. Laziness would be a crime against society as a whole. Everyone, whatever his chosen field of activity, must give a full day's work and should be encouraged to surpass average standards by comfortable margins. This is the only way to build up a state and to build up the nation. Machinery should, therefore, be devised to undertake activity in two directions. First, proper standards of normal performance should be evolved after an objective and realistic study of the conditions prevailing in each industry. No doubt, allowance will have to be made for sub-normal and abnormal cases. The Labour Institute and the Productivity Centre which are established should be able to render valuable assistance in this direction. Secondly, when disputes arise between employers and workers over work-loads, a proper enquiry should be made by competent and impartial personnel and the results of their study should be accepted and enforced without any further objections from either side."

12. The question of productivity is thus of great national importance in the context and in the conditions of our present economy. The urgent need of the hour is not merely to increase production by more capital expenditure, but also to increase productivity with as little outlay as possible of national wealth on additional plant and machinery often involving a great deal of precious foreign exchange. The Planning Commission has also endorsed this.

13. It is the general complaint of employers in the Cement Industry that the productivity of workers in this Industry is very low and that the workers are not carrying a fair load of work. This view has also been supported by the cement factories in the Public Sector. The replies to the Board's questionnaire received from the U.P. Government Cement Factory and Mysore Government Cement Factory are quoted in paras 5.8 and 5.9 of this Report, and both agree that the productivity of labour in the Cement Industry is low. The Governments of Rajasthan and Orissa have, in the Memoranda submitted by them to the Board, expressed the view that productivity of labour is below standard and needs to be improved. In the words of the Rajasthan Government, "The labour has become more conscious about their Rights, but has little sense of devotion. This attitude on the part of labour is responsible for low productivity of labour."

14. Evidence placed before the Board goes to show that a far larger number of workers is required to operate cement plants in India than to operate plants of comparable capacity in the U.K. or other Western Countries. The Association of Indian Trade and Industry has examined the question of productivity in its recent publication entitled 'Financial Trends and Productivity in the Cement Industry'. Its studies reveal that, as measured by the quantity of cement produced per man-day or per man-hour, or by the installed capacity or production per employee, productivity in the Indian Cement Industry is very low when compared with other cement manufacturing countries such as the U.S.A., Belgium, Japan, U.K. and West Germany (para 5.13 of this Report). It is also in evidence that the machinery in the cement plants in India is generally as up-to-date and that processes in most factories are mechanised in the same way as in foreign countries (paragraph 5.15 of this Report). This would negative any suggestion that the higher productivity in Western countries results from higher mechanisation or better equipment.

15. The lower productivity in the cement factories in India must therefore be attributed partly to the lower productivity of the workers themselves and partly to their employment in unnecessarily larger numbers, both resulting in lower output *per capita*. Explaining this, Mr. Mogensen of Messrs. F. L. Smith stated in his evidence before the Board (para 5.16 of this Report):

"Most pronounced reason is, you cannot get the Indian worker to do several kinds of jobs. In Europe, for instance, a burner master would look after the kiln and also look after other jobs; he would do the oiling and all these things for which we in India have half a dozen persons. There are no Assistant burners in European factories."

16. As will be evident from the Report, the Board is in agreement with us to the extent that there is substance in the complaint of the employers in regard to work-loads. The only question for consideration, therefore, is whether it is practicable in the Cement Industry to determine work-loads.

17. It has been argued in paragraphs 5.24, 5.25 and 5.26 of the Report that:

- (a) it is possible to set work-loads and link wages thereto only in occupations involving repetitive work and that such jobs are few in the Cement Industry;
- (b) time and motion study has its limitations;
- (c) in a large majority of occupations connected with factory operations, the nature of work is such that it cannot be measured for individuals or groups;
- (d) the aim of maintaining desirable standards of efficiency can be secured more by adequate supervision in the factory than by calling upon a third party to fix the strength of each department in the factory.

18. We cannot accept these contentions. In considering the vital need of increasing productivity and the importance of determining work-loads to achieve this end, we are perturbed by the persistent scepticism of the Board concerning the techniques of work measurement and its application to this Industry. We are also disturbed by the total unawareness of the developments that have taken place in the science of work measurement, particularly as the Board is charged with the important duty of determining not only the fair wage but also of ensuring that the present low productivity is increased by relating the fair wage to a fair work-load.

19. Coming to the first argument of the Board, it seems to us that the distinction between the assessment of work-loads and the linking of wages to work-loads has not been properly appreciated. The very objection that work-loads supposedly can be determined only for repetitive jobs was, in fact, raised before the Fair Wages Committee, as recorded in paragraph 17 of their Report from which an extract is reproduced below:—

"The written evidence received by us emphasises the need for the institution of proper time and motion studies if production standards are to be prescribed scientifically. It has also been stated in some replies that it is very difficult to fix standards of production except in cases where jobs are somewhat standardised or work is done on the piece-rate system. Two all-India organisations of employees have stated that while the fixation of standards of production is not easy, they would be quite willing to have such standards fixed scientifically and would support the allotment of a fair load of work in return for fair wages. They have, however, stated that for the immediate purpose of fixing a fair wage the application of standards is not a practical proposition. Only one employees' organisation has suggested that the present productivity is the only realistic standard and that any further scrutiny is unnecessary."

Giving full consideration to this specific objection, the Fair Wages Committee, nevertheless, made their important recommendation that in case of doubt whether any existing work-load was reasonable or not, proper time and motion study should be instituted on a scientific basis. We would, therefore, leave it to Government to judge whether "the Employers' Representatives are putting too much emphasis on the letter of the passage in the Fair Wages Committee's Report."

20. Secondly, when the manpower employed is itself far in excess of the requirements of efficient operation, it is meaningless to talk about securing desirable standards of efficiency by adequate supervision in the factory. In any event, it is easier said than done, particularly in the present state of enforcement of discipline. As Mr. Myers has said in the passage quoted in para. 7, "Attempts to discipline them (workers) are either resisted by the workers with the help of union representatives or are ineffective according to managements".

21. Thirdly, the engagement of management experts and consultants for the purpose of assessing the proper complement of labour and advising managements in such matters, is now a commonplace of modern industrial practice all the world over. The virtues of engaging such a third party are well-known. These are: the ability to devote sufficient time for a thorough and systematic study, expertise, knowledge of conditions in similar and dissimilar industries, freedom from bias and pressures of the local situation.

22. Fourthly, as regards the supposed limitations of the technique known as time and motion study, it is incorrect to state that "time and motion studies are mainly applied in industrialised countries to repetitive work where numbers of similar articles are produced or handled in succession." As a matter of fact, time and motion studies are also used to set standard times for every job and thereafter to determine the complement of workers required. Moreover, this technique is not the only tool available for assessing the work-load. This has not been appreciated by the Board. It is in evidence that, in fact, the time and motion study is merely one among several other (more advanced) techniques now available, though it was certainly the earliest technique; that the science has since evolved a great deal and developed more sophisticated tools such as work-study, method-study, etc.; that almost any and every kind of job can be and is being studied all over the world with a view to assess the work-load involved and to determine the most effective way of doing a job. Even in purely maintenance jobs, the work-load of each worker can be studied and if it is found to be inadequate according to normal attainable

standards, additional duties can be entrusted to him so that he has a fair work-load to do without incurring abnormal fatigue or strain. Studies of this nature help in reorganising work and reviewing and revising man-power requirements. We can thus study work-loads and improve labour efficiency in a scientific manner, and ensure that a machine which can be efficiently operated by one man or one woman, does not continue to have "two, three, four or even five men hanging around it". That the above techniques have been applied and are capable of being applied in the Cement Industry is evident from the work of IBCONS, a well-known world-wide firm of management consultants, in Rohtas Industries Ltd., and Dalmia Cement (Bharat) Ltd. That the work-load can stand improvement in this Industry is clear from the experience of Dalmia Cement (Bharat) Ltd., who, by agreement, were able to increase the daily tonnage of cement loading and coal unloading by offering a higher rate.

23. It is true that four employers have said that it is not feasible to determine work-loads in a number of occupations in the Cement Industry. As stated in the Report, these four are: The Kalyanpur Lime and Cement Works Limited, The Travancore Cements Ltd., The India Cements Limited, and the U.P. Government Cement Factory (paragraphs 5.4, 5.5, 5.6 and 5.8 of this Report). We regret we are unable to accept the views of these employers as either sufficiently well informed or more authoritative than the contrary views expressed by an overwhelmingly large majority in the Industry. All other employers have, in their Memoranda and during the evidence tendered by their representatives, urged that the Board should institute time and motion studies or resort to other scientific techniques to determine work-loads, which are at present altogether inadequate and far from fair. It seems to us that these four producers did not consider the question from the stand point of assessment of work-loads with a view to determining the proper complement of labour for various jobs and that their contrary view arises mainly from the difficulties envisaged by them in the fixation of work-loads for the purpose of relating wages thereto. We believe that if they had been required to state their views on the specific issue whether assessment of work-loads is or is not possible in order to determine the manpower required, their replies would have been no different from those of the other producers. The same would be true in the case of the few factory managers referred to in the Report. In support of its view that it is not feasible to determine work-loads in a number of occupations in the Cement Industry, the Board has sought in aid the fact that even where investigations have been made by IBCONS, who reported excess of man-power, no action had been taken on their findings. The reason for this is the opposition of the labour as was indicated by Mr. Poddar in his evidence. The fact that at present piece-rates as well as the strength of departments in factories have been fixed *ad hoc*, whether unilaterally or by agreement, is not a valid reason for saying that a scientific investigation of work-loads should not be undertaken, particularly when the Board is fixing a fair wage.

24. Another objection made by the Board is that the assessment of work-loads is, to some extent, subjective and in support a passage from 'Labour Economics and Labour Relations' has been quoted. This objection is not new and has been voiced ever since the dawn of the science of work measurement. In modern techniques of work measurement sufficient allowance has been made for these factors. To quote from 'Payment by Results', ILO (Page 37): "Careful training and the use of a number of statistical checking methods are of considerable assistance in enabling the trained time study engineer to maintain a high level of consistency in his work and to establish, for any given job, values acceptable to both worker and management."

25. On the subject of Work Study, it is stated in 'Higher Productivity in Manufacturing Industries', an ILO publication (page 92):

"Work Study, as it has been developed in certain countries, comprises two complementary techniques, namely (a) method study (the detailed analysis of present or proposed methods of production) and (b) work measurement (the detailed assessment of the work content of a defined task). Both techniques can make important contributions to higher productivity..... Work measurement can lead to improved planning and control of production and to *more efficient manning of plant*; can provide indices of labour performance; and can serve as a basis for control of labour costs and, in appropriate conditions, for systems of payment by results."

(Note: italics ours)

Again, the ILO at page 40 of their publication 'Introduction to Work Study' has recorded the opinion of experts that work study "is a 'tool' which can be applied everywhere. It can be used with success wherever manual work is done or plant is operated, not only in manufacturing shops, but in offices, stores, laboratories, and service industries such as wholesale and retail distribution and restaurants".

26. A variety of work measurement procedure have thus been developed as acceptable methods for the assessment of the human work involved in any task. "Work measurement is the application of techniques designed to establish the work content of a specified task by determining the time required for carrying it out as a defined standard of performance by a qualified worker." ('Introduction to Work

Study'—ILO page 191.) "Where standard times are required for non-repetitive jobs of short duration such as repair work, erection, etc., careful use of analytical estimation and of synthetic time values enables standard times to be determined which are sufficiently accurate to be used as a basis for satisfactory production scheduling and for payment by results." ('Payment by Results'—ILO page 39).

27. We are firmly of the view that work measurement techniques are available for determining the work-loads of workers in all types of jobs, and that it was the duty of the Board to have work-loads examined through expert studies and to relate the fair wage to a fair load of work in every occupation. To suggest that work-loads cannot be assessed at all is to shut one's eyes completely to the highly developed techniques which are now available and make such assessment practicable. The Central Wage Board for the Sugar Industry, we are informed, has unanimously decided in favour of determination of work-loads and surplus labour and has recommended setting up expert teams to carry out this task in certain representative sugar factories. If this can be done in the sugar industry which has a far larger number of factories, it is all the more feasible in the Cement Industry. So far as the cotton textile industry is concerned there have already been a series of determination of work-loads and related aspects, in the various standardisation and other awards.

28. The Board itself has accepted that the fixation of work-loads is practicable in a few occupations; and we would here point out that a majority of the labour force employed in the manufacture of cement is engaged in precisely such occupations, the bulk of them in the quarries. Therefore, even on the basis of its own conclusions, the Board should have held that it is feasible to fix work-loads for something like 50 per cent. or more of the total labour employed in the Industry. The Board's reluctance towards undertaking work-load investigations has extended even to these occupations. The reason given is that the Board has no *prima facie* evidence before it, that in the case of such piece-rates the work-loads fixed are inadequate. The particulars of their piece-rate structure which were furnished by the Employers to the Board show a wide variation in the work-load. The Board was also in possession of figures to show that Dalmia Cement (Bharat) Ltd. were able to increase the daily tonnage of cement loading and unloading, by agreement, by offering a higher rate. In these circumstances, it would appear equitable and proper that the Board should have undertaken the investigation of work-loads, particularly when, with considerable labour, the Board conducted, at each factory, a family expenditure survey and visited most of the plants for the purpose of fixing the fair wage. It is our firm view that not all existing work-loads, whether pertaining to piece-rate jobs or time-rate jobs, are by any means fair.

29. The investigation of proper work-loads would, no doubt, take some little time. But we may here point out that the Report of this Board is the first to be submitted to Government though ours was the last of the three Wage Boards appointed so far. The Cement Wage Board was appointed in April 1958. The Textile Wage Board appointed a year earlier in March 1957 is expected to take a few months more to submit its Report even though considerable data by way of work-loads in the textile industry was already available to it in the form of a number of standardisation awards in the industry. The Sugar Wage Board which was set up in December 1957 has very properly decided to spend the time necessary to make a scientific assessment of work-loads probably because, unlike the textile industry, it did not have any ready data available.

30. To sum up, the Board has failed to appreciate and attach due importance to one of the fundamentals of fair wage fixation prescribed by the Fair Wages Committee. The distinction between assessment of work-loads and the linking of wages to work-loads has not been properly appreciated. The difficulties in making scientific studies of work-loads have been exaggerated. The apparent anxiety, however well intentioned, to expedite the submission and implementation of the Board's recommendations in regard to fair wages has been allowed to overshadow the importance of investigating work-loads and bringing about an improvement in the low productivity of workers. In failing to determine fair work-loads and linking fair wages thereto wherever feasible, the Board has acted contrary to the principles expressly laid down by the Fair Wages Committee. The enquiry of the Board is thus incomplete and its Report and recommendations suffer from a serious and fundamental defect.

31. The computation of the Fair Wage and recommendations in regard to the scales of pay for operatives, clerical, lower technical and supervisory staff are unanimous and we have given our assent to the revised wage structure. As we have stated, however, the wage determined by the Board, though fair in itself, ceases to be so if it is not related to a fair load of work.

32. It is therefore our submission that as the fair wages determined have not been related to fair work-loads as required by the Terms of Reference framed by it, Government should rectify the position and should not give effect to the recommendations of the Board except in the manner mentioned in paragraph 36 of this Minute of Dissent.

33. Furthermore, we are also of the opinion that, in the light of the Board's finding that the Industry has *prima facie* no capacity to pay the wages recommended by the Board, the proposed wage structure should not be brought into effect until

Government sanctions the necessary increase in the retention price of cement paid to the various producers.

34. Our concurrence with the wage structure recommended by the Board is therefore subject to the following provisos:

- (a) No part of the increase recommended by the Board should come into effect until Government has notified the revised retention price to be paid to the various producers.
- (b) The recommendations of the Board should not take effect except to the limited extent mentioned in paragraph 36 below, until fair work-loads have been determined.

35. No doubt, the determination of fair work-loads is an expert job, and such an investigation will take some time. On the other hand, we have to take into account the paramount consideration that any alteration in work-loads can only be effected or, at any rate, can best be effected, contemporaneously with an increase in wages in order to ensure the acceptance of revised work-loads. We are also conscious of the fact that the setting up of the Wage Board has roused hopes and expectations in the workers' minds, and any long delay in implementation after the Board has submitted its Report will be apt to cause impatience and frustration unless some interim increase in wages is given.

36. For these reasons, we make the following recommendations:—

- (a) In the case of any doubt on the part of employers or workers about the reasonableness of any existing work-loads, fair work-load should be determined by proper scientific methods.
- (b) Government should entrust the determination of fair work-loads to an independent and expert body such as the National Productivity Council, the International Labour Organisation or any other expert agency Government considers most suited to undertake this task.
- (c) From the date that Government gives effect to the Board's recommendations and until fair work-loads are so determined, the minimum wage for the unskilled worker should be Rs. 78 per month at factories situated in the Gujarat and Saurashtra region, and Rs. 71 per month at all other factories.

These minima are Rs. 20 less than the minimum wages recommended by the Board, and this reduction of Rs. 20 should be effected in the amount of dearness allowance recommended by the Board, basic wages and house-rent allowance remaining unaffected.

- (d) Semi-skilled and skilled operatives as well as clerical staff and lower technical and supervisory staff should receive half the increase which would be payable under the recommendations of the Board immediately they come into effect.

In the case of these employees also, the reduction from the full amount payable under the Board's recommendations, should be made in their dearness allowance, basic wages/salaries and house-rent allowance remaining unaffected.

- (e) The dearness allowance for all categories of employees should vary with the All India Consumer Price Index, as recommended by the Board in paragraph 13.3.1 of this Report.

Here, it may be noted that though the interim wage we have recommended is lower than the wage recommended by the Board (phased or otherwise), we propose to give the full amount of variations in dearness allowance as if, in fact, the full wage were in operation.

- (f) If, in the month immediately preceding that in which our recommendations take effect, the minimum wage for unskilled workers at any factory in the Gujarat and Saurashtra region is more than Rs. 78 per month or at any factory elsewhere it is more than Rs. 71 per month, our recommendations in (c) and (d) above will obviously not take effect in the case of unskilled workers and should not therefore take effect in the case of other employees. At such factories, the interim wage structure should be as follows:—

- (i) All employees covered by the Board's recommendations, *viz.*, unskilled, semi-skilled and skilled operatives, clerical staff, and lower technical and supervisory staff, should receive an increase of Rs. 3 per month over the total wage payable to them in the month immediately preceding that in which the Board's recommendations take effect.
- (ii) The difference, if any, between the amount of full wage recommended by the Board (phased or otherwise) and the wage recommended in (i) above, should be deducted from the dearness allowance payable under the Board's recommendations.
- (iii) As in (e) above, the dearness allowance should vary with the All India Consumer Price Index, as recommended by the Board in paragraph 13.3.1 of the Report.

- (g) Where jobs are currently being carried out on the piece rate system; until the fair work-loads have been determined, the piece-rates should be worked out by dividing the basic wage payable on the basis recommended in sub-paras. (c), (d), (f) above or (i) below by the existing work-loads and dearness allowance shall be payable during this period at the reduced rates as recommended in sub-para. (c), (d), (f) above or (i) below.
- (h) When fair work-loads have been determined and implemented, the reduction proposed by us in (c), (d) and (f) above should be made good with retrospective effect, as follows:—
 - (i) In the case of phased factories:
 - (a) for the full phased period of one year, the difference between the dearness allowance of Rs. 28.50 (Gujarat and Saurashtra region) and Rs. 21.50 (elsewhere) and the dearness allowance paid under (c), (d) and (f) above, should be paid to the workers.
 - (b) for the subsequent period, if any, the difference between the dearness allowance of Rs. 38.50 (Gujarat and Saurashtra region) and Rs. 31.50 (elsewhere) and the amount paid under (c), (d) and (f) above, should be paid to the workers.
 - (ii) In the case of factories which are not phased, the difference between the dearness allowance of Rs. 38.50 (Gujarat and Saurashtra region) and Rs. 31.50 (elsewhere) and the dearness allowance paid under (c), (d) and (f) above should be paid to the workers.
 - (iii) After the fair work-loads have been determined in the manner recommended above, the piece rates will be replaced by the new rates to be arrived at by dividing the basic wage for unskilled workers recommended by us by the fair work-load. When the fair work-loads and piece rates have been so re-determined and brought into force, the reductions in dearness allowance would be made good as stated in (i) and (ii) above.
- (i) In the case of new cement factories, for the first eighteen months from the time they go into production, even if fair work-loads have been determined during this period, the wages should be as recommended by the Board in paragraph 13.6.1 of the Report, viz. 75 per cent. of the wages recommended for established factories. If, however, during the period of eighteen months fair work-loads have not been determined, then until such further time as they are so determined our recommendations in (c), (d), (e), (f) and (g) should apply.
- (j) When fair work-loads have been determined, they should come into force prospectively from the first of the month following their determination. Even if the work-loads during the period of our interim proposals made above are found to be less than those determined, no reduction should be made in the wage payable for the interim period.

It will thus be seen that we have taken care to ensure that the workers do not suffer in any way for the period during which fair work-loads are being determined.

37. In conclusion, we would stress that to ignore the importance of fair work-loads, is to strike at the fundamentals of wage fixation. It would be contrary to the best interests of our country and would nullify the policy laid down in the Second Five Year Plan, that an increase in wages must come from increased productivity. In this context, it will be well to remember two of the Ten Pillars of Economic Wisdom enunciated by the American Economic Foundation: (Commerce dated 13th June, 1959—page 974).

“Because wages are the principal cost of everything, widespread wage increases, without corresponding increase in production, simply increase the cost of everybody's living.”

“The greatest good of the greatest number means, in its material sense, the greatest goods for the greatest number, which in turn means the greatest productivity per worker.”

V. H. DALMIA.

P. K. MISTRY.

NOTE BY SHRI P. K. MISTRY AND SHRI V. H. DALMIA

The task assigned to this Wage Board to evolve, for the first time, a fair wage in the Cement Industry throughout the country is absolutely different in scope and nature from that of Industrial Tribunals deciding isolated issues in individual industrial units, on a pragmatic basis, in the light of material presented by the two parties appearing before them. By contrast, Wage Boards have essentially to bear in mind wider, long-range, economic and national considerations while laying down the wage structure for an entire industry. The recommendations of Wage Boards and their observations will therefore be invested with considerable authority and will set new patterns and precedents. Consequently we regard it as a matter of the utmost importance that their general observations should not indicate an approach to the wage problem which is out of tune with the needs of the country's economic development.

2. Some of the observations made in our Board's Report, if not put in the right perspective, may have disturbing repercussions on other industries in our developing economy. We, therefore, think it necessary to put down our views clearly.

3. At the outset, we would like to say categorically that as far as the Cement Industry is concerned, we are in full agreement with the payment of the fair wage recommended. The decisive consideration for us has been that, although this rigorously controlled Industry has no capacity to finance any such sharp increase in wages, the necessary wherewithal will be found in a comparatively painless manner; as Government, when accepting our recommendations, will sanction contemporaneous increases in the retrention prices allowed to the various manufacturers.

4. The crux of the matter with which we wish to deal in this Note is the interrelation between the Report of the Fair Wages Committee and the Resolution of the Fifteenth Indian Labour Conference. On this question, it is the implied view of the Board that the Resolution is to be regarded as sacrosanct, even over-riding the principles of the Fair Wages Committee, e.g. in the matter of the importance to be given to the prevailing rates of wages. The principal reasons behind this view appear to be that the Resolution has the sanctity and imprimatur of tripartite agreement, that at some stage and in some industry a start of paying a need-based wage has to be made and that Wage Boards are the instruments of industrial destiny for this purpose, blazing a trail and setting an example for others to follow.

5. In our view the Resolution is not so mandatory, and the norms laid down are merely to serve as a guide for wage fixing authorities. In fact, the Resolution itself contemplates the payment of a wage lower than that justified by the norms if special circumstances so warrant. This is clear from the following two paragraphs of the Resolution:

"While accepting that minimum wage was 'need-based' and should ensure the minimum human needs of the industrial worker, the following norms were accepted as a guide (italics ours) for all wage fixing authorities including minimum wage committees, Wage Boards, adjudicators, etc."

"Wherever the minimum wage fixed was below the norms recommended above, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the aforesaid norms."

6. Such circumstances, in addition to the capacity of the industry to pay, might very well be some of the other fundamental considerations laid down by the Fair Wages Committee such as the productivity of labour, the prevailing rates of wages in neighbouring industries, the level of the national income and its distribution, etc.

7. Furthermore, our view that the Resolution is not mandatory is supported by our Terms of Reference. While the recommendations of the Fair Wages Committee are specifically part of our Terms of Reference and, in fact, the very foundation of these Terms, the Resolution of the Fifteenth Indian Labour Conference, which was passed only a few months before our Terms of Reference were framed, is not even mentioned although Government did add four other criteria for consideration (social justice, need of the industry in a developing economy, need for maintaining differentials and the desirability of extending the system of payment by results) which they obviously deemed important.

8. Again, if the Resolution is that of a Tripartite Body, so is the Report of the Fair Wages Committee and both are entitled to equal sanctity on this score.

9. Further, the Resolution is also defective in several respects. It abounds in ambiguities which have perplexed this Board and seem likely to perplex wage fixing authorities for years to come. Instances of such ambiguities are: whether the diet is to be based on Table II or Table IV of the Health Bulletin; whether vegetarian or

non-vegetarian diet is intended; what is the quality of cloth to be taken into calculation.

10. The Resolution also leaves the impression that some of the vital principles enumerated, after very full evaluation, by the Fair Wages Committee have not been given their due consideration and that the repercussions of the Resolution on industries in the present context of a developing economy have been ignored. The general level of industrial wages in this country is low, and, therefore, the immediate payment of a need-based wage would mean an appreciable rise in money wages. As productivity is also low, such increase in wages, unless balanced by a corresponding rise in productivity, would accelerate the inflationary tendencies already present in our economy. This would defeat the very purpose of higher money wages. Any sharp increase in wages in one or two industries would also lead to labour unrest amongst the vast numbers of less privileged workers, and to instability resulting from the migration of labour.

11. The greatest service rendered by the Fair Wages Committee was not only to focus attention, for the first time and in specific terms, on the need of the worker for a fair wage but also to examine the question comprehensively from the overall viewpoint of the needs of the nation. By doing so, the Committee lifted the question of a fair wage from the purely piecemeal and partisan plane and integrated it into the national picture, balancing, in the national interest, the competing claims of the employer, the worker and the consumer. The Resolution of the Fifteenth Indian Labour Conference, therefore, does not detract from this on its proper interpretation, and, in any event, should not be deemed to do so.

12. We agree that Wage Boards are pioneers blazing a trail. But precisely for this reason, an added responsibility is cast on Wage Boards to see that in blazing a trail, they do not destroy the forest and set fire to the surrounding countryside, which would be the inevitable result of any implication that an immediate need-based wage is a near-categorical imperative for all industries.

P. K. MISTRY.
V. H. DALMIA.



APPENDIX I
GOVERNMENT OF INDIA
CENTRAL WAGE BOARD
Cement Industry

Phone: 35468

INDUSTRIAL COURT:
FORESHORE ROAD, BOMBAY-1.
10th May, 1958.

Dear Sir,

The Government of India in the Ministry of Labour and Employment has by a Resolution of the 2nd April 1958 constituted a Central Wage Board for the Cement Industry of India. On the next page you will find the terms of reference to the Board for working out a wage structure for the employees of the industry based on the principles set forth in the Report of the Committee on Fair Wages, together with certain "explanations" stated in the Resolution. On page 3 by way of introduction you will find extracts from the Report of the Committee on Fair Wages which is to be taken as the basis of this Board's investigations.

2. This Board has prepared a questionnaire to be issued to employers and workmen of the Cement Industry and their organisations and to associations and individuals who are in a position to assist the Board in the matters under investigation. The Board will be grateful if you will be so good as to peruse the questionnaire and let it have your answers to the questions which have been framed. Nine copies of the answers may please be sent.

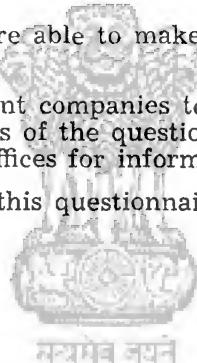
3. Further, please let the Board know whether you would like to appear personally before it to support the views which you may express in your answers to the questionnaire.

4. As the Board desires to proceed with the work as quickly as possible, it is requested that your answers to this questionnaire may please be sent by the 1st July 1958.

5. Any contribution which you are able to make to the subject will be greatly appreciated.

6. The managements of the cement companies to whom this questionnaire is addressed are requested to post copies of the questionnaire (sent herewith) on the notice boards of their factories and offices for information of the workmen.

7. Kindly acknowledge receipt of this questionnaire.



Yours faithfully,
M. R. MEHER,
Chairman.

GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT

New Delhi, the 2nd April 1958.

RESOLUTION

WB—6-(5).—In pursuance of the recommendation contained in paragraph 25 of Chapter XXVII of the Second Five-Year Plan regarding the establishment of tripartite Wage Boards for individual industries, the Government of India have set up a Central Wage Board for the Cement Industry.

2. The composition of the Board will be as follows:—

Chairman

Shri M. R. Meher, I.C.S. (Retired).

Independent Members

- (1) Sardar Jogendra Singh, M.P.
- (2) Dr. D. T. Lakdawala.

Members Representing Employers

- (1) Shri P. K. Mistry.
- (2) Shri V. H. Dalmia.

Members Representing Workers

- (1) Shri Somnath P. Dave, M.P.
- (2) Shri I. M. Moinudeen.

3. The following will be the terms of reference of the Board:—

- (a) to determine the categories of employees (manual, clerical, supervisory, etc.) who should be brought within the scope of the proposed wage fixation;
- (b) to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages;

Explanation:

in evolving a wage structure, the Board should in addition to the considerations relating to fair wages, also take into account:—

- (i) the needs of the industry in a developing economy;
- (ii) the requirements of social justice; and
- (iii) the need for adjusting wage differentials in such a manner as to provide incentives to workers for advancing their skill;

(c) bear in mind the desirability of extending the system of payment by results;

Explanation:

in applying the system of payment by results the Board shall keep in view the need for fixing a minimum (fall-back wage) and also to safeguard against over work and undue speed; and

- (d) to work out the principles that should govern the grant of bonus to workers in the cement industry.

4. The headquarters of the Board will be located at Bombay and all correspondence intended for the Board shall be addressed to the Chairman C/o Industrial Court, Bombay-1.

The Fair Wages Committee's Report

As the wage structure is to be based on the principle of fair wages as set forth in the Report of the Committee on Fair Wages the following extracts from that Report are reproduced:—

- (a) We consider that a minimum wage must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker. For this purpose the minimum wage must also provide for some measure of education, medical requirements and amenities.
- (b) It will be seen from this summary of the concept of the living wage held in various parts of the world that there is general agreement that the living wage should enable the male earner to provide for himself and his family not merely the bare essentials of food, clothing and shelter but a measure of frugal comfort including education for his

children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes including old age.

- (c) The attainment of the living wage is therefore our objective too but nevertheless it is the duty of this Committee to examine how far present-day circumstances permit us to approach the living wage and how a wage that might be considered fair could be fixed having regard to the many limitations that prevent the immediate attainment of the objective. On one point there is complete unanimity of opinion, *viz.*, that the fair wage should on no account be less than the minimum wage.
- (d) While the lower limit of the fair wage must obviously be the minimum wage the upper limit is equally set by what may broadly be called the capacity of industry to pay. This will depend not only on the present economic position of the industry but on its future prospects. Between these two limits the actual wages will depend on a consideration of the following factors and in the light of the comments given below:—
 - (i) the productivity of labour;
 - (ii) the prevailing rates of wages in the same or of similar occupations in the same or neighbouring localities;
 - (iii) the level of the national income and its distribution; and
 - (iv) the place of the industry in the economy of the country.
- (e) As regards the measure of the capacity the Committee consider that in this context the main objective of the fixation of fair wages should not be lost sight of. The objective is not merely to determine wages which are fair in the abstract, but to see that employment at existing levels is not only maintained, but if possible increased. From this point of view it will be clear that the level of wages should enable the industry to maintain production with efficiency. The capacity of industry to pay should therefore be assessed by the Wage Boards in the light of this very important consideration. The Wage Boards should also be charged with the duty of seeing that fair wages so fixed for any particular industry are not very much out of line with wages in other industries in that region.
- (f) We are of the view that in determining the capacity of an industry to pay it would be wrong to take the capacity of a particular unit or the capacity of all industries in the country. The relevant criterion should be the capacity of a particular industry in a specified region and, as far as possible, the same wages should be prescribed for all units of that industry in that region.
- (g) We feel that before a wage-fixing machinery decides to make any allowance for benefits statutory or otherwise, granted to workers it must examine the nature and extent of those benefits. Where a benefit goes directly to reduce the expenses of a worker on items of expenditure which are taken into account for the calculation of the fair wage, it must necessarily be taken into account in fixing the actual fair wage payable.
- (h) The Committee decided that if the standard family was reckoned as one requiring three consumption units and providing one earner the decision would be in accord with the results of the family budget enquiries.
- (i) The Committee considered that in the fixation of wage differentials the following factors should be taken into account:—
 - (1) the degree of skill;
 - (2) the strain of work;
 - (3) the experience involved;
 - (4) the training required;
 - (5) the responsibility undertaken;
 - (6) the mental and physical requirements;
 - (7) the disagreeableness of the task;
 - (8) the hazard attendant on the work;
 - (9) the fatigue involved.

QUESTIONNAIRE

1. Please give your (a) name, (b) address; (c) designation.
2. Are you connected with any company or factory in the Cement Industry? Please state to which company or unit or units your answers have reference.

Wage Structure

3. Please give particulars in the form given in the Appendix A to this questionnaire of the present wage scales for the different occupations in the various categories, *viz.*, manual, clerical, supervisory, etc. (both time-rated and piece-rated) in your unit or units and offices. The information should also include persons employed through contractors and operatives employed in the quarries, whether directly worked by the factory or through contractors.

4. Have the wages, salaries or dearness allowance been fixed as a result of collective bargaining with labour organisations or by awards? Please attach a copy of the agreement or award as the case may be.

5. (a) What categories of workers should in your opinion be covered by this inquiry? Should workers in the quarries, whether owned by the company or otherwise, and contract labour be included?

(b) Please state whether it is desirable in fixing wages to group the various occupations into classes such as (1) Unskilled, (2) Semi-skilled or Semi-skilled, A and B, (3) Skilled or Skilled, A and B, (4) Highly-skilled, etc., or in any other manner.

(c) Without prejudice to your views about the categories of workers to be covered by this inquiry, please state what you consider should be a fair wage for each occupation in the following categories (in the factories, head office and other offices) bearing in mind the capacity of the Industry in the region, the needs of the industry in a developing economy, the requirements of social justice and the need for adjusting wage differentials so as to provide incentives to workers for advancing their skill:

- (i) Operatives;
- (ii) Clerical category;
- (iii) Supervisory category;
- (iv) Any other category for which, in your opinion, wages should be fixed.

*Note.—*In giving your proposals please assume an average family to consist of three consumption units (i.e., one adult male, one adult female and two children, one of 9 to 12 years and one of 7 to 9 years).

6. Would you exclude apprentices and learners from this inquiry? If not, what are your proposals with regard to them?

Dearness Allowance

7. Please give particulars of the existing scheme of dearness allowance in your factory or factories (including quarries) and offices (including head office) for the various categories. Please give the average monthly dearness allowance in the period January to March 1958 for the various categories.

8. Do you favour merging of the whole or part of the dearness allowance into basic wage? In case of such merger, how would you provide for wages varying with rise and fall in the cost of living and how would you adjust the existing benefits fixed by awards or agreements in terms of basic wages, e.g. gratuity?

9. Assuming that the system of separate dearness allowance should be continued please state whether basic wages should be calculated on the basis of the cost of living index for 1939 or any other year.

10. Please state what should be the system and rate of dearness allowance for each category of workers and how variations in the cost of living should be adjusted in the dearness allowance? If it is to be linked to cost of living index, should it be linked to the All-India index or to the local index? In case there is no official local index, to what index should the dearness allowance be linked—whether to the official index of the nearest town or to the All-India index?

11. Do you consider that the present differentials between the higher and the lower wages are proper? If not, should they be lowered down to limit them to a smaller number? Do you consider that the present differentials provide for sufficient incentive and, if not, what alterations would you suggest?

12. How would you assess the weightage to be given to the following factors in the fixation of wage differentials:

- (1) Degree of skill.
- (2) Strain of work.
- (3) Experience involved.
- (4) Training required.
- (5) Responsibility undertaken.
- (6) Mental and physical reasons.
- (7) Disagreeableness of task.
- (8) Hazard of work.
- (9) Fatigue involved.

13. Is it advisable and practicable to fix workloads of unskilled, semi-skilled and skilled workers and link wages thereto? If so, how? In the absence of any time and motion study what basis would you adopt for the ascertainment of workload?

14. Have any efforts been made in your unit or units to introduce rationalisation or efficiency system of working resulting in lower labour costs? If so, please give details.

15. Are you in favour of extending piece-rate to occupations which are at present time-rated or partly time-rated and partly piece-rated? If so, please give

particulars and the scheme of piece-rates which you propose, keeping in mind the need for safeguarding against over-work and undue speed. What should be the minimum fall back wage and subject to what conditions, if any, it should be paid?

16. Are you in favour of introducing incentive bonus or production bonus scheme? If so, please give particulars of your proposal.

17. Please state how the rates of wages in your concern compare with the prevailing rates of wages in the same or similar occupations in other concerns in the Cement Industry and other industries in the region or in the neighbouring localities. If there are differences how are they accounted for?

18. Please state whether your proposals with regard to wages and dearness allowance are very much out of line with the wages in other industries in the region.

19. Please form an estimate of the annual burden on the concern of the wage structure and dearness allowance proposed by you.

20. Do you subscribe to the view that in determining the capacity of the Industry regard must be had to a fair return on capital and remuneration to management and a fair allocation of reserves and depreciation so as to keep the Industry in a healthy condition? Please state your views fully on this subject.

21. Will an upward revision of the existing wage levels in the Cement Industry in your region affect the present or future level of employment or the capacity of the Industry to maintain production and efficiency?

22. Do you consider that the productivity of labour is lower than what it should be? If so, what do you suggest for improving the position

23. What steps have been taken by the company and the workers' Union concerned since 1949 to promote workers' efficiency and production?

24. Do you suggest any measures, financial, technical or otherwise for the Industry which, in your opinion, will help to raise the level of wages?

Women's Wages

25. Please state whether any differentiation exists in your area in the wages paid to men and women workers doing the same or similar type of work. If so, is it, in your opinion, justifiable in the light of the principle of 'equal pay for equal work'?

26. The Committee on Fair Wages are of the opinion that the adoption of a different method of calculation in the case of women engaged on work done exclusively by them does not infringe the principle of 'equal pay for equal work'. Are there any occupations in the Industry to which these remarks have relevance?

Nomenclature of Occupations

27. Do you consider that standard nomenclatures should be adopted in the whole Industry for persons doing the same type of work? Please refer to letter No. CLC/L 20 (18)/53, dated 9th April 1955, addressed to the cement companies and workers' Unions by the Chief Labour Commissioner, Government of India, in his capacity as the Chairman of the Central Wages (Standardisation) Board, with which a standard list of nomenclatures was circulated. Please state whether the nomenclatures in this standard list are acceptable to you and, if not, what changes you would suggest and the reasons therefor.

28. Would you suggest standardisation of musters (duty lists) for the entire Industry? If so, please give particulars.

29. Please give details of the cost of living of a family consisting of three consumption units (vide note to question No. 5 above) of a lowest paid unskilled worker on the basis of a balanced diet and other fair requirements to maintain health and efficiency, on the average of prices prevailing in the period January-March 1958. Please state how you have arrived at this figure and give the break up for—

- (a) Food.
- (b) Housing.
- (c) Clothing.
- (d) Miscellaneous including fuel and lighting.

In making your proposals please bear in mind the recommendations of the 15th Session of the Indian Labour Conference, dated 11/12th July 1957 an extract from which is reproduced at Appendix B to this questionnaire.

30. Please give your opinion on the principles which should govern the grant of bonus to workers in the Cement Industry.

31. Please state whether you are in favour of or against linking of bonus with gross profits or net profits? If in favour, please state how you would define gross or net profits. What provision would you make for minimum and maximum bonus, and what adjustments would be necessary in respect of changes in profits due to expansion, increase of capital investment, etc?

32. Please state the rate of bonus paid for the years 1952-1956 to the various categories in your company, giving also the figure of the aggregate bonus paid for 1955 and 1956 and the break up of this figure of bonus paid to (a) operatives, (b) clerical staff, (c) supervisory and technical staff and (d) officers.

Statistics and other Information Required

33. Please supply the balance sheets of your company for the last five years with any explanation you consider necessary on the question of the financial position of the company.

34. Please analyse the disbursements and appropriations of the sale proceeds of your products in terms of actual figures and percentages for the last 3 years under the following heads:—

- (i) Raw materials.
- (ii) Salaries, wages, employees' benefits and amenities.
- (iii) Bonus.
- (iv) Repairs and development.
- (v) Stores, including packing, power and fuel.
- (vi) Management expenses (salaries and allowances of staff drawing more than Rs. 500 per month as salary, interest and managing agents' commission).
- (vii) Overheads and other miscellaneous expenses.
- (viii) Taxes.
- (ix) Reserves.
- (x) Shareholders' dividend.

35. Please give the figures of production, minimum wage, and average annual earnings of workmen drawing up to Rs. 500 per month for the last 3 years.

Year	Production		Minimum basic wage for unskilled worker	Average annual earnings including dearness allowance, overtime and bonus
	in tons	in value		
1	2	3	4	5
1955				
1956				
1957				

36. Please give the average number of persons employed against the wage-groups in each factory, unit during the months January to March 1958, in the following form:—

Wages (including D.A.) in Rupees	Average number of persons employed				
	Operatives	Clerks	Supervisory Staff	Others	Total
1	2	3	4	5	6
Upto 50					
51 to 100					
101 to 150					
151 to 200					
201 to 250					
251 to 300					
301 to 350					
351 to 400					
401 to 450					
451 to 500					

37. Please state which of the following benefits your company is allowing and the annual expenditure against each such benefit. Please also state the number of employees enjoying such benefit.

- (a) Housing.
- (b) Free medical aid including E.S.I.S., if in force.
- (c) Education.
- (d) Gratuity.
- (e) Any other benefit which goes directly to reduce the expenses of the worker on items of expenditure which are to be taken into account in the calculation of the fair wage.

38. What are the total salary expenses of the head office? What is the number of factories it controls and the total number of persons employed in the head office? What is the proportion of this to the total wage bill of all the units of the company?

39. Please state the names of the unions operating in your area with their respective constituent strength and their affiliations. Have the unions been recognised?

General

40. Please give your opinion on any other matters and please give other facts which you consider relevant to the inquiry.



APPENDIX "A"

FORM

(Please see Question 3)

Please give the present wage scales for the occupations in the various categories, viz., manual, clerical, supervisory, etc. in the unit or units to which your answers refer and the number of persons in each occupation. In the case of piece-rated workers please show against each occupation the piece-rate and the average monthly earnings for the period January-March 1958 (exclusive of dearness, overtime and all other allowances).

Name of the company:

Factory _____
at _____
Office

Time rated employees

Department	Category	Occupation	Brief statement of duties, if necessary	Scale of wages	Number of employees		Total
					Male	Female	
1	2	3	4	5	6	7	8



Piece-rated employees

Department	Category	Occupation	Brief state- ment of duties, if necessary	Rate	Average monthly earnings	Number of employees		Total	
						Male	Female		
—	1	2	3	4	5	6	7	8	9

APPENDIX "B"

(Please see question 29)

Extract from the main conclusions/recommendations of the 15th Session of the Indian Labour Conference (11th and 12th July 1957).

Wage Policy during the Second Five-Year Plan

1. While accepting that minimum wage was 'need-based' and should ensure the minimum human needs of the industrial worker the following norms were accepted as a guide for all wage fixing authorities including minimum wage committees, wage boards, adjudicators, etc.:—

- (i) In calculating the minimum wage the standard working class family should be taken to comprise three consumption units for one earner, the earning of women, children and adolescents being disregarded.
- (ii) Minimum food requirements should be calculated on the basis of a net intake of calories as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
- (iii) Clothing requirements should be estimated on the basis of a per capita consumption of 18 yds. per annum, which would give for the average worker's family of four a total of 72 yds.
- (iv) In respect of housing, the rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme should be taken into consideration in fixing the minimum wage.
- (v) Fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent. of the total minimum wage.



APPENDIX II

List showing the names of the cement companies, federations of employees, federations of unions of employees, unions of employees, chambers of commerce, and governments, to whom the questionnaire was issued.

I. Cement Companies

- *1. The Associated Cement Companies Limited,
Cement House, 121, Queen's Road, Bombay No. 1.
- *2. The Andhra Cement Company Limited,
Post Box No. 1896, 337, Thambu Chetty Street, Madras—1.
- *3. Ashoka Cement Limited,
11, Clive Row, Calcutta—1.
- *4. Bagalkot Cement Company Limited,
Stadium House, Veer Nariman Road, Fort, Bombay No. 1.
- *5. Dalmia Cement (Bharat) Limited,
Post Box No. 364, Scindia House, New Delhi.
- *6. Dalmia Dadri Cement Limited,
10, Daryaganj, Delhi—7.
- *7. Shree Digvijay Cement Company Limited,
Shreeniwas House, Waudby Road, Bombay No. 1.
- *8. The India Cements Limited,
11/12, Secondline Beach, Madras—1.
- *9. The Jaipur Udyog Limited,
Punjab National Bank Building, Third Floor,
Parliament Street, Post Box No. 334, New Delhi—1.
- *10. The Kalyanpur Lime and Cement Works Limited,
2, Clive Row, Calcutta—1.
- *11. The Mysore Iron and Steel Works,
P.O. Bhadravati, Mysore.
- *12. Orissa Cement Limited,
Post Box No. 364, Scindia House, New Delhi.
- *13. The K.C.P. Limited (Ramakrishna Cements),
38, Mount Road, Madras—6.
- *14. Rohtas Industries Limited,
11, Clive Row, Calcutta—1.
- *15. Sone Valley Portland Cement Company Limited,
31, Chitranjan Avenue, Calcutta—12.
- *16. The Travancore Cements Limited,
Nattakam, Kottayam, Kerala State.
- *17. The U.P. Government Cement Factory,
P.O. Churk, District Mirzapur, U.P.
- 18. The Panyam Cements and Mineral Industries Limited,
Cement Nagar B.P.O. Bugganipalli R.S., Kurnool District.
- 19. Assam Bengal Cement Company Limited,
7, Wellesley Place, Calcutta.
- 20. Assam Cement Limited,
9, Lauchiemere Hills, Shillong.
- 21. Baroda Cement Works,
Alice Building, 339, Hornby Road, Bombay No. 1.
- 22. Bharat Cement Works Private Limited,
Maharaj Mansion, Second Floor, 298, Sardar Vallabhbhai Patel Road,
Bombay.
- 23. Bhavnagar Cement Works,
C/o Standard Mills Co. Ltd.,
Mafatlal House, Backbay Reclamation, Bombay No. 1.
- 24. Bihar Limestone and Mineral Company Limited,
56, Netaji Subhash Road, Calcutta—1.
- 25. Birla Brothers Private Limited,
8, Royal Exchange Place, Calcutta—1.
- 26. Birla Jute Manufacturing Company,
8, Royal Exchange Place, Calcutta.

*Those who have replied to the Questionnaire have been indicated with asterisk mark.

27. Durgapur Cement Company Limited,
22, Canning Street (Room No. 11), Calcutta.

28. Hindustan Sugar Mills Limited,
51, Mahatma Gandhi Road, Bombay No. 1.

29. Hindustan Sugar Mills Limited,
Second Ferozeshah Road, New Delhi.

30. J. K. Commercial Corporation,
• Kamla Tower, Kanpur.

31. Kanoria Company Limited,
9, Brabourne Road, Calcutta—1.

32. Kuchwar Lime and Stone Limited,
22, Canning Street, Calcutta.

33. Madras Cement Limited,
C/o Shri P. A. C. Ramaswamy Raja,
Rama Mandiram, Rajpalayam, Ramanathapuram District, Madras State.

34. Mysore Cement Limited,
C/o Shri P. K. Sarangapani Mudaliar,
19, Race Course Road, Bangalore.

35. N. H. Ojha and Company Limited,
9, Brabourne Road, Calcutta.

36. Parshva Properties Limited,
P.O. Dalmianagar.

37. Quality Cement Manufacturing Company of India (Private) Limited,
Arvind Marga, Mirza Ismail Road, Jaipur (Rajasthan).

38. Rayalseema Development Corporation Limited,
Post Box No. 1718, Madras.

39. Satna Cement Works,
Satna (Madhya Pradesh).

40. Saurashtra Cements and Chemicals Limited,
U. Road, Porbandar (Saurashtra).

41. Shri Bhagirath Kanoria,
C/o General Produce Company Limited,
India Exchange, Calcutta—1.

42. Shri L. Rammohan Rao,
Vignana Parishat, 172, Shenoynagar, Madras—30.

43. Shri K. M. Ramasubramaniam,
Quarry Director, Agricultural Farms Limited,
Talaiyuthu R.S., Tirunelveli District, Madras State.

44. Shri Nandlal Kanoria,
India Exchange, Calcutta.

45. Shri Sanwalram More,
Indu House, Ballard Estate, Fort, Bombay No. 1.

46. V. Ramakrishna and Son,
38, Mount Road, Madras.

47. V. Ramakrishna and Sons,
C/o The Andhra Cement Company Limited,
337, Thambu Chetty Street, Madras.

48. Vizag Cement Limited,
Vizianagaram, Andhra Pradesh.

49. Zoraster and Company,
Johari Bazar, Jaipur.

II. Federations of Employers

1. All India Manufacturers' Organisation,
Cooperative Insurance Building, Fourth Floor,
Sir Phirozshah Mehta Road, Fort, Bombay No. 1.

2. All India Organisation of Industrial Employers,
28, Phirozshah Road, New Delhi.

3. Association of Indian Industries.
Cooperative Insurance Building, Fourth Floor.
Sir Phirozshah Mehta Road, Fort. Bombay No. 1.

4. Employers' Association of Northern India,
Civil Lines, Kanpur.

5. Employers' Federation of India,
Bombay House, Bruce Street, Fort, Bombay No. 1.

10. Bengal National Chamber of Commerce,
Mission Row Extension, First and Second Floors. Calcutta—1.
11. Bharat Chamber of Commerce,
195, Harison Road, Calcutta—7.
12. Eastern Chamber of Commerce,
15, Clive Row, Calcutta—7.
13. Hindustan Chamber of Commerce,
14/2, Clive Row, Calcutta—7.
14. Indian Chamber of Commerce,
Indian Exchange, Royal Exchange Place Extension, Calcutta—1.
15. Merchants' Chamber of Commerce,
173, Harison Road, Calcutta.
16. Oriental Chamber of Commerce,
6, Clive Row, Calcutta—1.

BOMBAY

17. Berar Chamber of Commerce,
Rajasthan Building, Akola.
18. Bombay Chamber of Commerce and Industry,
Mackinnon Mackenzies' Building, Ballard Estate, Bombay—1.
19. Chamber of Commerce,
DBZ/S/130-A, Gandhidham (Kutch).
20. Indian Merchants' Chamber,
Lalji Naranji Memorial, Indian Merchants' Chamber Building,
Backbay Reclamation, Fort, Bombay No. 1.
21. Maharashtra Chamber of Commerce,
12, Rampart Row, Third Floor, Fort, Bombay No. 1.
22. Mahratta Chamber of Commerce and Industries,
587/9, Shukrawar Peth, Tilak Road, Poona No. 2.
23. Nagpur Chamber of Commerce Limited,
New Cotton Market, Nagpur.
24. Nag Vidarbha Chamber of Commerce,
Sarya Villas, Temple Road, Civil Station, Nagpur—1.
25. Poona Merchants' Chamber,
185, Bhawani Peth, Poona No. 2.
26. Porbandar Chamber of Commerce,
Manek Chowk, Porbandar.
27. Saurashtra Chamber of Commerce,
Mahatma Gandhi Road, Lokhand Bazar, Bhavnagar.
28. Surat Chamber of Commerce, સુરત ચેમ્બર
Surat.
29. Western Indian Chamber of Commerce,
232—234, Kalbadevi Road, Bombay.

DELHI

30. Delhi Chamber of Commerce,
Delbar Building, Original Road, Paharganj, Delhi.
31. Federation of India Chamber of Commerce and Industry,
28, Ferozeshah Road, New Delhi.
32. Punjab and Delhi Chamber of Commerce,
Scindia House, New Delhi.
33. Punjab Merchants Chamber,
Saddar Bazar, Delhi.
34. United Chamber of Trade Association,
Katra Rathi, Nai-Sarak, Delhi—6.

KERALA

35. Calicut Chamber of Commerce,
Calicut.
36. Chamber of Commerce,
Trichur.
37. Cochin Chamber of Commerce,
Post Box No. 16, Cochin.
38. Indian Chamber of Commerce,
Mattancherry Post, Cochin—2.
39. Malabar Chamber of Commerce,
Calicut.
40. North Malabar Chamber of Commerce,
Cannanore (North Malabar).

41. Northern Travancore Chamber of Commerce,
Alwaye.
42. Travancore Chamber of Commerce,
Alleppey, Travancore (S.I.).

MADHYA PRADESH

43. Malwa Chamber of Commerce,
49, Sitalmata Bazar, Indore-City.
44. Makhoshal Chamber of Commerce,
Jubbulpore.

MADRAS

45. Andhra Chamber of Commerce,
Andhra Chamber Building, 272/3, Angappa Naick Street, Madras--1.
46. Chamber of Commerce,
Nagapatam.
47. Coimbatore Chamber of Commerce,
Coimbatore.
48. Hindustan Chamber of Commerce,
No. 168, Broadway Gujerathi Mandal Buildings, Madras—1.
49. Indian Chamber of Commerce,
14/73, Oppanakara Street, Coimbatore.
50. Indian Chamber of Commerce,
Tuticorin.
51. Madras Chamber of Commerce,
Dare House, First Lane Beach, Madras.
52. Madura-Ramnad Chamber of Commerce,
90—92, Avanimoola Street (Second Floor), Madurai, Madras.
53. Salem District Chamber of Commerce,
Salem.
54. Southern Indian Chamber of Commerce,
Indian Chamber Building, North Beach, Madras.
55. Tamil Chamber of Commerce,
119, Armenian Street, Madras—1.
56. Tuticorin Chamber of Commerce,
Tuticorin.
57. Virudhunagar Chamber of Commerce Limited,
Virudhunagar.
58. Vijay Bharatha Chamber of Commerce Limited,
Virudhunagar, Ramnad.

mysore

59. Kanara Chamber of Commerce,
P.O. Box No. 116, Bunder Mangalore (S.K. District).
60. Karnatik Chamber of Commerce,
Hubli.
61. Mysore Chamber of Commerce,
Bangalore.

ORISSA

62. Orissa Chamber of Commerce,
Chandni Chowk, Cuttack.
63. Northern India Chamber of Commerce,
Desi Beopar Mandal, Ambala Cantt.
64. Punjab Federation of Industry and Commerce,
Amritsar, Inside Hall Gate, Amritsar (Punjab).

RAJASTHAN

65. Jaipur Chamber of Commerce,
Johari Bazar, Jaipur City.
66. Rajasthan Chamber of Commerce and Industry,
Johari Bazar, Jaipur City.

UTTAR PRADESH

67. Agra Merchants' Chamber Limited,
Bari Kothi, Belanganj.
68. Merchants Chamber of United Provinces,
15/23, Civil Lines, Kanpur.

69. National Chamber of Industries and Commerce,
Belanganj, Agra.
70. United Provinces Chamber of Commerce,
Civil Lines, Kanpur.
71. Upper India Chamber of Commerce,
Civil Lines, Kanpur.
72. Western U.P. Chamber of Commerce,
Meerut.

VI. Governments and Officials

1. Secretary to the Government of India,
Ministry of Labour and Employment, New Delhi.
2. Secretary to the Government of India,
Ministry of Commerce and Industry, New Delhi.
3. Chief Secretary to Government,
Andhra State, Hyderabad.
4. Chief Secretary to Government,
Assam State, Shillong.
- *5. Chief Secretary to Government,
Bihar State, Patna.
6. Chief Secretary to Government,
Bombay State, Bombay—1.
- *7. Chief Secretary to Government,
Kerala State, Trivandrum.
8. Chief Secretary to Government,
Madhya Pradesh State, Bhopal.
- *9. Chief Secretary to Government,
Madras State, Madras.
10. Chief Secretary to Government,
Mysore State, Bangalore.
- *11. Chief Secretary to Government,
Orissa State, Cuttack.
- *12. Chief Secretary to Government,
Punjab State, Chandigarh.
- *13. Chief Secretary to Government,
Rajasthan State, Jaipur.
14. Chief Secretary to Government,
Uttar Pradesh State, Lucknow.
15. Chief Secretary to Government,
West Bengal State, Calcutta.
16. Chief Commissioner for Delhi,
New Delhi.
17. Chief Secretary for Himachal Pradesh,
Simla.
18. Chief Commissioner for Manipur,
Manipur.
19. Chief Commissioner for Tripura,
Agartala.
20. Secretary, Planning Commission,
New Delhi.
21. Chief Labour Commissioner (Central),
New Delhi.
- *22. Director, Labour Bureau,
Simla.

In addition, 600 copies of the Questionnaire were supplied to the Ministry of Labour and Employment, New Delhi.

APPENDIX III

List of Cement Factories, Quarries etc., visited by the Central Wage Board for Cement Industry

Date of visit	Name of the Cement Factory	Place	State
20th Jan. 1959	The Jaipur Udyog Limited,	Sawaimadhopur	Rajasthan
21st " "	and its Quarry.		
22nd " "			
22nd " "	The A.C.C. Cement Works,	Lakheri	Do.
23rd " "	and its Quarry.		
24th " "			
22nd Feb. 1959	The A.C.C. Cement Works,	Kymore	Madhya Pradesh
23rd " "	and its Quarry.		
24th " "			
25th " "	The U. P. Govt. Cement Factory, and its Quarry.	Churk	Uttar Pradesh
26th " "			
27th " "	Rohtas Industries Ltd.,	Dalmianagar	Bihar
28th " "	Ashoka Cements Ltd.		
1st March 1959	The Kalyanpur Lime and Cement Works Limited, and its Quarry.	Banjari	Do.
2nd " "	Sone Valley Portland Cement Company Limited, Quarry at Baulia.	Baulia	Do.
2nd " "	The Quarries at Murli and Chuthia.	Murli and Chuthia.	Do.
3rd " "	Sone Valley Portland Cement Company Limited.	Japla	Do.
4th " "	The A.C.C. Cement Works	Sindri	Do.
6th " "	The A.C.C. Cement Works,	Chaibasa	Do.
7th " "	and its Quarry.		
8th " "	Orissa Cement Limited,	Rajgangpur	Orissa
9th " "	and its Quarry.		
28th April 1959	The A.C.C. Cement Works,	Madukkurai, Coimbatore.	Madras
29th " "	and its Quarry.		
30th " "	The Travancore Cements Limited, and its Dredging Department, for sea-shells and its Quarry.	Kottayam	Kerala
3rd May 1959	The India Cement Limited,	Takaiyuthu	Madras
4th " "	its Quarry and Quarry of the		
5th " "	Agricultural Farms Limited.		
6th " "	Dalmia Cement (Bharat) Limited, and its Quarry.	Dalmiapuram	Do.
19th " "	Shri Digvijay Cement Co.	Sikka	Bombay
20th " "	Ltd., Cement Works, and sand deposits working and transport installations.		
21st " "	The A.C.C. Cement Works,	Dwarka	Do.
22nd " "	and sand deposits working.		
2nd August, 1959	The A.C.C. Cement Works,	Sevalia	Do.
3rd " "	Sevalia, and its Quarry at Balasinor.		

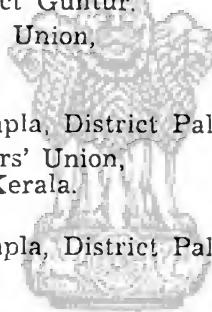
III. Federations of Unions of Employees

1. Indian National Trade Union Congress,
17, Janpath, New Delhi.
2. All India Trade Union Congress,
55, Girgaon Road, Bombay No. 4.
3. Hind Mazdoor Sabha,
Servants of India Society's Home,
Sandhurst Road, Bombay No. 4.
4. United Trade Unions Congress,
249, Bow Bazar Street, Calcutta.
- *5. Indian National Cement Workers' Federation,
Mazdoor Karyalaya, Congress House,
Vithalbhai Patel Road, Bombay No. 4.
- *6. All India Cement Workers' Federation,
Zaoba's Wadi, Bombay No. 2.

IV. Unions of Employees

1. The A.C.C. Cement Karmachari Sangh,
Katni Cement Factory, Katni.
2. Andhra Cement Employees' Union,
Vijayawada, Andhra.
3. Andhra Cement Workers' Union,
Satyanarayananpuram, Vijayawada—2.
4. The Associated Cement Staff Union,
121, Queen's Road, Bombay No. 1.
5. Banmor Cement Works Mazdoor Sangh,
Banmor (Madhya Pradesh).
6. Banmor Mazdoor Sangh,
Banmor (Madhya Pradesh).
7. Bhupendra Cement Workers' Union,
Surajpur (Punjab).
8. Cement Pipe Factories Workers' Union,
Siddique Building, Bara Hindu Rao, Delhi.
9. Cement Works Karmachari Sangh,
Sawaimadhopur (Rajasthan).
10. Chaibasa Cement Workers' Union,
Jhinkpani, Singhbhum, Bihar.
- *11. Dalmia Cement Employees' Union,
1707, Pratap Street, Pahar Ganj, New Delhi.
12. Dalmia Cement Workers' Union,
Dalmiapuram (Trichy) (S.I. Rly.).
13. Dalmia Dadri Cement Factory Men's Union,
Dalmia Dadri (Punjab).
14. Dalmianagar Mazdoor Seva Sangh,
Dalmianagar (Bihar).
15. Dwarka Cement Works Employees' Union,
Bhadراكali Road, Dwarka.
16. Dwarka Cement Workers' Union,
Dwarka.
17. India Cement Workers' Union,
Talaiyuthu.
18. Indian Hume Pipe Labour Union,
Hospet, Mysore State.
19. Japla Labour Union,
P.O. Japla, District Palamau, Bihar.
20. Kamdar Mandal, Purbunder Cement Works,
Purbunder (Saurashtra).
21. Kalyanpur Lime and Cement Workers' Union,
Banjari, District Shahabad.
22. Kistna Cement Works Employees' Union,
Kistna Cement Works, P.O., District Guntur.
23. Kistna Cement Works Staff and Workers' Union,
Kistna Cement Works, P.O., District Guntur.
24. Khalari Cement Mazdoor Union,
Khalari, District Singhbhum, Bihar.

- *25. Kymore Cement Mazdoor Congress, Kymore (M.P.)
- 26. Lakheri Cement Kamgar Sangh,
Lakheri (Rajasthan).
- 27. Lakheri Cement Workers' Union,
Lakheri (Rajasthan).
- 28. Madukkarai Cement Workers' Union,
Madukkarai, District Coimbatore, Madras.
- *29. National Cement Workers' Union,
Madukkarai (Coimbatore).
- 30. Orissa Cement Mazdoor Sangh,
P.O. Rajgangpur, District Sundergarh, Orissa.
- 31. Orissa Pipe Workers' Union.
Oriya Bazar, Cuttack, Orissa.
- 32. Patiala Cement Quarry Workers' Union,
Surajpur (Bhupendra), (Punjab).
- 33. Porbundar Cement Works Monthly Paid Staff Union,
Porbundar.
- 34. Rashtriya Mazdoor Sangh,
Dalmianagar (Bihar).
- 35. Sikka Cement Employees' Union,
Sikka (Saurashtra).
- 36. Sevalia Cement Kamdar Sabha,
Dabhan Bhagol, Nadiad.
- 37. Sevalia Cement Workers' Union,
Sevalia (Via Anand) (W. Rly.).
- 38. Shahabad Cement Workers' Union.
Shahabad.
- 39. Sitarampuram Mines Employees' National Union.
P.O. Pidiguralla, District Guntur.
- 40. Surajpur Cement Workers' Union,
Surajpur (Punjab).
- 41. S.V.P.C. Staff Association,
Cement Works, P.O. Japla, District Palamau, Bihar.
- 42. Travancore Cement Workers' Union,
Nattakam, Kottayam, Kerala.
- 43. Watch and Ward Union,
Cement Works, P.O. Japla, District Palamau, Bihar.



V. Chambers of Commerce

ANDHRA

- 1. Cocoanada Chamber of Commerce,
Kakinada.
- 2. Federation of Commerce and Industries,
352, Sultan Bazar, Hyderabad Deccan—1.
- 3. Godavari Chamber of Commerce,
Cocoanada.
- 4. Indian Chamber of Commerce,
Guntur.
- 5. Krishna District Chamber of Commerce,
Masulipatam (South India).

ASSAM

- 6. Upper Assam Chamber of Commerce,
P.O. Jorhat, Assam.

BIHAR

- 7. Bihar Chamber of Commerce,
Patna.

BENGAL

- 8. Associated Chamber of Commerce of India,
Royal Exchange, Calcutta.
- 9. Bengal Chamber of Commerce and Industry,
Royal Exchange, P.B. No. 280, Calcutta.

APPENDIX IV

GOVERNMENT OF INDIA

MINISTRY OF LABOUR & EMPLOYMENT

CENTRAL WAGE BOARD FOR CEMENT INDUSTRY

C/o Industrial Court, Foreshore Road, Bombay No. 1

FAMILY BUDGET ENQUIRY

1. Factory : _____
2. Reference month : _____
3. Name of workman : _____
4. Name of informant : _____
5. (a) Number and ages of persons in household : _____

Serial No.	Relationship with workman	Sex*	Age
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

*M—Male; F—Female; C—Child below 15.

(b) Consumption Units :

6. Dependents living away from workmen (specify, e.g., wife, child, uncle, etc.)

7. Number of boarders : _____ Number of lodgers : _____

8. Receipts in last calendar/pay month :

Wage†	Dearness Allow- ance	Over- time	Bonus	Additional income		Total
				Source	Amount	

(a) Workman

(b) Income of other
earners in family
(Specify).

TOTAL

†After deduction of provident fund.

9. Annual Income of the Family from other sources:

Source	Annual Income

10. Specify items received free from employer and concessions received from employer, such as cheap grain, free quarters, railway passes, free light, etc., and market value.

11. Expenditure on food :

(a) Cereals :

	Local unit	Ratio	Total quantity purchased in the month		Total cost	Specify grade of consumption articles where ever available	Actual month
			Local unit	Ozs.			
1	2	3	4	5	6	7	8
(i) Rice . . .							
(ii) Wheat . . .							
(iii) Bajra . . .							
(iv) Jowar . . .							
(v) Rice flour . .							
(vi) Wheat flour . .							
(vii) _____ . .							
(viii) _____ . .							
TOTAL . . .							



Grinding charges for cereals : Rs. _____nP.

(b) Pulses :

1	2	3	4	5	6	7	8
(i) Gram . . .							
(ii) Turdal . .							
(iii) _____ . .							
(iv) _____ . .							

TOTAL . . .

Grinding charges for pulses : Rs. _____nP.

12. *Vegetables* :

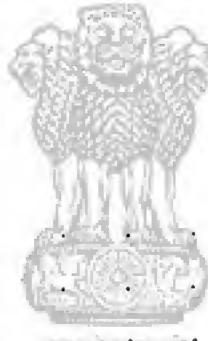
	Total quantity purchased in the month	Total cost Rs.
	1	2
(a) Potatoes		
(b) Onions		
(c) Leafy vegetables		
(d) Non-Leafy vegetables		
	TOTAL	

13. *Fruits* :

	1	2
(a) Plantains		
(b) Other fruits		
	TOTAL	

14. *Oils* :

	1	2
(b) Groundnut oil		
(b) Vanaspati		
(c) Other oils (Specify)		
	TOTAL	

15. *Milk and Milk Products* :

	1	2
(a) Milk		
(b) Ghee		
(c) Buttermilk		
(d) Lassi		
(e) Others (Specify)		
	TOTAL	

16. *Sugar* :

	1	2
(a) Sugar		
(b) Jaggery		
	TOTAL	

17. Meat : Total quantity consumed in month _____ Rs. _____
 18. Fish : Total quantity consumed in month _____ Rs. _____
 19. Eggs : Total quantity consumed in month _____ Rs. _____
 20. Salt and condiments :

	Total quantity purchased in the month	Total cost Rs. nP.
	1	2
(a) Salt		
(b) Turmeric		
(c) Chillies		
(d) Tamarind		
(e) Ginger		
(f) Masala, pickles, etc.		
	TOTAL	_____

21. Tea leaf and coffee :



22. Prepared tea, aerated waters, sugarcane juice, meals and other eatables consumed outside house. Total : Rs. _____ nP. _____

TOTAL—EXPENDITURE ON FOOD :
(Total of column 1 to 22)

Cost.
Rs. _____

23. Fuel :

	1	2
(a) Firewood		
(b) Charcoal		
(c) Kerosene		
(d) Dungcake		
(e) Matches		
(f) Other fuel (Specify)		
	TOTAL	_____

24. Clothing :

Type of cloth, or clothing, e.g. dhoti, blouse, long-cloth, sari, etc.	Amount spent in the month	Total amount spent last year
--	------------------------------	---------------------------------

Rs.	nP.
-----	-----

1

2

3

(a) Men
(b) Women
(c) Children
(d) Tailoring charges

TOTAL

25. Headgear and shoes :



Amount spent in the month	Total amount spent last year
------------------------------	---------------------------------

Rs.	nP.	Rs.	nP.
-----	-----	-----	-----

1

2

(a) Headgear
(b) Shoes

TOTAL

26. Bedding, bedsheets, etc.

1 2

(a) Bedding
(b) Bedsheets
(c) Kamblis
(d) Blankets
(e) Carpets
(f) Mats

TOTAL

27. Rent : Rs. _____

28. Miscellaneous : _____

	Amount spent in the month Rs. nP.	Total amount spent last year Rs. nP.	Amount spent in the month Rs. nP.	Total amount spent last year Rs. nP.
			1	2
(1) Medicines and doctor's fees				X X X
(2) Haircut and shaving				X X X
(3) Dhobi				X X X
(4) Soap				X X X
(5) Hairoil, pomade, etc.				X X X
(6) Tooth Powder and tooth-paste				X X X
(7) Cigarettes, tobacco, snuff, bidi				X X X
(8) Pan supari				X X X
(9) Union Subscription				X X X
(10) Other subscriptions				X X X
(11) Umbrella				
(12) Bus or train fare to and from place of work and travel to native place				
(13) Cooking pots, earthen pots and utensils				
(14) School fees and books, stationery, newspapers				X X X
(15) Cinema, mela, toys and other amusements				X X X
(16) Remittances to dependents of family not residing with workman				X X X
(17) Expenditure on ceremonies				
(18) Payments of debts including interest on debts				X X X
(19) Other expenditure (Specify)				X X X
(20) Household requisites (such as buckets, trunks, brooms, lanterns, lock, china, glass-ware, etc., etc.,) (Specify)				
TOTAL				

29. (a) Total expenditure (in the month) : Rs. _____ nP. _____

(b) How is difference accounted for or how is excess of expenditure over income met :

(c) Details about any debt or credit taken to cover the excess of expenditure over income :

Source	Amount	Nature of security	Terms of repayment
(i)			
(ii)			
(iii)			
(iv)			

30. Total expenditure in the month for three consumption units : Rs. _____ nP. _____

SIGNATURE OF INVESTIGATOR _____

Remarks of the Investigator :

CENTRAL WAGE BOARD FOR CEMENT INDUSTRY

SCHEDULE OF PRICES

Articles commonly consumed by mazdoors

Shop and locality	Total Quantity sold during last 12 months (or specify period if shorter)	Articles	Local unit	Ra- tio	Vari- ety	Prices					
						Janu- ary 1958	Feb- ruary 1958	March 1958	Last mon- th	Cur- rent mon- th	

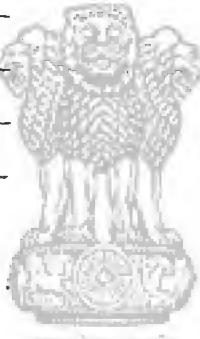
Cereals :

1. Rice . . .
2. Wheat . . .
3. Barley . . .
4. Wheat flour . . .

Pulses :

Milk :

Sugar . . .



Cloth :

Shirting . . .

Longcloth . . .

Blouse pieces . . .

Saris . . .

Dhoti (ordi-
nary) . . .

Charcoal . . .

Firewood . . .

Kerosene . . .

Oil :

(Specify)

APPENDIX V

Statement showing the existing wage scales and Dearness Allowance of unskilled workmen and lowest-paid clerks in various industries and concerns in the neighbourhood of the Cement Factories

Sr. No.	State	Name of Company	Wage scales and dearness allowance of mazdoors	Salary scales and dearness allowance of lowest grade of clerks	Distance from Cement Factory	Date of supply of information
1	2	3	4	5	6	7
1	Andhra	Hemalatha Textile Mills Ltd.	Re. 1 per day. D.A. 3 as per point over 100 points of Madras C.L. Index.	Rs. 45-21-70-3-91. D.A. Rs. 40 or 3 as per point over 100 points of Madras C.L. Index, whichever is higher.	12 miles from Kistna Cement Works.	12-5-59.
2	"	Parry and Co. Ltd., Guntur	Workmen paid on piece rate through a contractor. Said to work out to an average of Rs. 2-2-0 per day.	Rs. 54-3-75-4-123. Probationer Rs. 45. D.A. 20 m.P. per point over Madras City C. L. Index of 50% of basic upto first Rs. 100 and 25% on the balance, whichever is higher. Under the second alternative, in respect of 10 points above or below the Index at 350 to 359, these percentages will be increased or decreased as the case may be by 2½% in respect of the first Rs. 100 of basic and by 1¼% in respect of the balance where the basic salary is above Rs. 100.	16 miles from Kistna Cement Works.	16-3-59.
3	"	Vuyyuru Sugar Factory	Rs. 25-1½-34. D.A. Rs. 42.50 p.m.	S.S.L.C. failed Rs. 35-2-51. S.S.L.C. passed Rs. 50-2-70-E. B.— 2½-75. D.A. Rs. 42.50 (flat rate).	Within a radius of 25 miles from Vijayawada.	13-11-58.
4	"	Bajrung Jute Mills, Guntur	Re. 0-11-0 per day for males. Re. 0-9-0 per day for females. D.A. Rs. 1-1-0 per day.	Rs. 40 (no scales). D.A. Rs. 30 p.m.	16 miles from Kistna Cement Works.	16-8-58.

5	Bihar	Indian Oxygen Ltd. Factory at Jamsnedpur.	Mazdoor 2nd Rs. 30-1-35. Mazdoor 1st Rs. 35-2-45. D.A. Bengal Chamber of Commerce scale. For increase of 10 points in middle class C. L. Index increase of 5%. For 1st Rs. 100, 130% (Minimum Rs. 79).	Rs. 50-3-80. D.A. Bengal Chamber of Commerce scale. For increase of 10 points in middle class C. L. Index increase of 5%. For 1st Rs. 100, 130% (Minimum Rs. 79).	50 miles from Chaibasa Cement Works.
6	"	Indian Steel & Wire Products Ltd., Indranagar, P. O. Jamsnedpur.	Re. 1-0-0, 0-1-0, 1-6-0 p. day. D.A. Rs. 15 per month, Emergency Allowance Rs. 5. Food Subsidy Allowance for bachelors Rs. 12-8-0; for family employees Rs. 17.	Rs. 60-5-96/8. D.A. Rs. 15 per month. Emergency Allowance of 10% of basic. Food Subsidy Allowance Rs. 12-8-0 for bachelor employees and Rs. 17 for family employees.	50 miles from Chaibasa Cement Works.
7	"	Tata Iron & Steel Co. Ltd., Jamsnedpur.	Mazdoors in Production Depts. Rs. 2.18, 0-07, 2-46. Mazdoors in Maintenance Depts. Rs. 2-11, 0-07 2-39. Female workers in Production Depts. Rs. 1-90, 0-07, 2-18; in Maintenance Depts. 1-83, 0-07, 2-11. D.A. Rs. 45 per month.	Rs. 85-5-100-10-220-15-250. D.A. varying from Rs. 47 on basic pay of Rs. 85 to Rs. 69 on basic pay of Rs. 250.	50 miles from Chaibasa Cement Works.
8	"	Tata Locomotive & Engineering Co. Ltd., Jamshedpur.	Re. 1 per day. D.A. Rs. 15, plus Emergency Bonus Rs. 5, plus Food Rebate for married persons Rs. 17 per month and for unmarried persons Rs. 12-8-0 per month.	Rs. 70-5-100-10-110-E.B.-10-140. D.A. upto Rs. 100, Rs. 15 p.m. Rs. 101 to 200 Rs. 19-8-0 p.m. plus Emergency Bonus at 10% of basic pay plus Food Rebate Rs. 17 p.m. for married persons and Rs. 12-8-0 p.m. for unmarried persons.	60 miles from Chaibasa Cement Works.
9	"	Bihar Government Super-phosphate Factory, Sindri.	Rs. 1-75 p.d. (inclusive of D.A.)	Rs. 50-2-90. D.A. Rs. 30.	1 mile from Sindri Cement Works.
10	"	Sindri Fertilisers & Chemicals Private Ltd.	Rs. 2-8-0, 0-1-0, 2-12-0 plus 19 nP. as interim relief (Consolidated).	Rs. 60-3-81-4-125-5-130. In addition interim grant of Rs. 5 p.m. D.A. pending Pay Commission's Recommendations. Interim relief of Rs. 5 p.m. credited to Prov. Fund accounts for which Co. has not to contribute.	Near Sindri Cement Factory. 16-2-59.

			2	3	4	5	6	7
11	Bihar	•	Timplate Co. of India Private Ltd., Golmuri, Singhbhum.	Reja 0-13-0 per day. 1 per day. Office Boy Re. 0-10-0, 0-1-0, 1-0-0 per day.	Maizoor Re. D.A. Rs. 15 plus 10% of basic for employees drawing upto Rs. 100. Rs. 19-8-0 plus 10% of basic for employees drawing Rs. 101 to 120. Food subsidy @ 12-8-0 for unmarried employees and 17-0-0 for married employees.	Rs. 60-5-90-10-120. D.A. Rs. 15 plus 10% of basic for employees drawing upto Rs. 100. Rs. 19-8-0 plus 10% of basic for employees drawing Rs. 101 to 120. Food subsidy @ 12-8-0 for unmarried employees and 17-0-0 for married employees.	52 miles from Chaibasa Cement Works.	9-2-59.
12	"	•	Indian Aluminium Co. Ltd., Muri, Ranchi Dist.	Re. 1-0-0, 0-1-0, 1-4-0, 0-1-6, 1-7-0, 0-1-0, 1-12-0 per day. D.A. on percentage basis and group D.A. on other figures not given. D.A. on lowest unskilled worker Rs. 22-8-0 per month.	Rs. 55-5-105-E. B.-61-144. D.A. on Rs. 55 is Rs. 41.50. D.A. on lowest unskilled worker Rs. 22-8-0 per month.	Rs. 55-5-105-E. B.-61-144. D.A. on Rs. 55 is Rs. 41.50. D.A. on lowest unskilled worker Rs. 22-8-0 per month.	62 miles from Khalari Cement Works.	11-2-59.
13	"	•	National Cement & Mineral Industries Ltd., Ray.	Rs. 1-1-0 basic per day. D.A. Rs. 1-9-6.	Rs. 43. D.A. Rs. 45.	5 miles from Khalari Cement Works.	16-8-58.	
14	"	•	Gaya Cotton Mills	Rs. 18 per month. D.A. Rs. 30 per month.	..	53 miles from Rohtas Industry Factory.	6-2-59.	
15	Bombay	•	Sarabhai Chemicals, Baroda	Rs. 26-1-29-E.B.-1-34. D.A. Rs. 32 + 1/8th of basic subject to minimum of Rs. 40. Additional D.A. Rs. 25 + 1/6th of basic drawing upto Rs. 100 Rs. 30 + 1/6th of basic for the clerks drawing Rs. 100 to 200. Rs. 35 + 1/6th of basic for clerks having basic pay of above Rs. 201.	Rs. 50-5-70-7½-115-E.B.-7½-160. Selection—10-220. D.A. varying with Ahmedabad C. L. Index.	65 miles from Sevalia Cement Works.	9-12-58.	
16	"	•	Cotton Mills in Baroda Area	Rs. 26 per month. D.A. 90% of Ahmedabad Textile scale.	..	65 miles from Sevalia Cement Works.	15-12-58	
17	"	•	New Shorrock Spg. & Mfg. Co. Ltd., Nadiad.	Rs. 26 basic. D.A. 90% of Ahmedabad Textiles Rs. 60-5-100-7½-130-E.B.-8-170-10-200 scale.	(Graduates start on Rs. 75). Semi-clerks Rs. 40-3-70-E. B. -4-90-5-105. D.A. 90% of Ahmedabad Textile scale.	40 miles from Sevalia Cement Works.	17-12-58.	

18	Bombay	Burnah-Shell, Port Okha	Minimum Rs. 1-6-0 per day ; Maximum Rs. 2-0-0 , D.A. fluctuates according to Bombay C. L. Index. D.A. Rs. 2-64 nP. for 1st quarter of 1958.	Rs. 65-80- E.B.-120. D.A. fluctuates according to Bombay C.L. Index. 1st quarter of 1958 D.A. Rs. 104-50 for salary upto 99.	21 miles from Dwarka Cement Works.
19	"	Tata Chemicals Ltd., Mitha- pur.	Rs. 1-25, 0-06, 2-00 (last increment 0-09). D.A. Rs. 1-75 per day.	Rs. 65-5-100-E.B.-7 -50-175. D.A. Rs. 69 per month.	12 miles from Dwarka Cement Works.
20	"	Maharana Mills Ltd., Por- bandar.	Rs. 26 per month. D.A. 85% of Ahmedabad Textile scale.	Rs. 50-5-90-6-150. D.A. 85% of Ahmedabad Textile scale.	Near Porbandar Cement Factory. 5-5-59.
21	"	Shree Digvijay Woollen Mills Ltd., Jamnagar.	Rs. 26 + D.A. Rs. 43 (flat rate).	No wage scales for clerical staff but flat D.A. of Rs. 43.	26-11-58.
22	Kerala	National Tyre & Rubber Co. of India Ltd., Kottayam.	Rs. 1-75 + D.A. 0-96 per day.	Ranges from Rs. 65 to 140 inclusive of Rs. 35 D.A.	26-2-59.
23	"	Fertilisers & Chemicals Tra- vancore Ltd.; Alwaye.	Daily paid unskilled Rs. 1-12-0 (in- clusive of D.A.) Monthly paid mazdoors Rs. 40-2-50- 4-90. D.A. Rs. 45 per month.	Rs. 80-5-130. D.A. Rs. 45 per month.	50 miles from Travancore Ce- ment Factory. 23-7-59.
24	Madras	Asbestos Cement Ltd., Po- danur.	Rs. 1-3-0 per day. D.A. As. 2 per point rise over 100 C. L. Index for Coimbatore.	Rs. 70-7-145-10-165. D.A. 41 to 80 Rs. 45. 81 to 120 Rs. 50. 121 to 160, Rs. 55. 161 to 200, Rs. 60.	Adjoining Madukkarai Cement Works.
25	"	Textool Co. Ltd., Coimbatore	Standard workers Rs. 20-63 p.m. Non-Standard Rs. 30-38 p.m. D.A. As. $2\frac{1}{2}$ per point above 100 points of Madras C.L. Index.	Rs. 85-75 p.m. consolidated. Apprentice grade clerks Rs. 60 p.m.	6 miles from Madukkarai Ce- ment Works.

1	2	3	4	5	6	7
26	Madras	Cotton Mills in Coimbatore	Rs. 30-1-0 p.m. D.A. 3 as. per point over 100 points of C.L. Index of Madras.	Clerks Grade IV Clerks in Groups 4 & 5 Rs. 4-8-0 per 10 points over 160 points of Madras C.L. Index. Clerks in Groups 6 & 7 same D. A. as for Unskilled.	6 miles from Madukkarai Cement Works.	9-2-59.
27	"	Indian Steel Rolling Mills, Re. 1 per day. Negapatam.	D.A. Re. 0-2-3 per point of C. L. Index for Trichy over 100 points.	Rs. 50-5-75-E.B.-5-100. D.A. same as that for mazdoors plus Rs. 5 per month.	108 miles from Dalmiapuram Cement Factory.	6-5-59.
28	"	Cauvery Spg. & Wvg. Mills Ltd., Cauverynagar (Trichy Dist.)	Rs. 26. D.A. 3 as. per point over 100 points of Madras C.L. Index.	Rs. 40-2-50-3-80. D.A. Rs. 3-8-0 for every 10 points over 160 points of Madras C.L. Index.	54 miles from Dalmiapuram Cement Factory.	14-12-58.
29	"	Trichinopoly Mills Ltd.	Rs. 30-1-0 p.m. D.A. 3 as. per point over 100 points of C.L. Index for Madras.	Rs. 44 + Rs. 4-8-0 per 10 points over 160 points of Madras C.L. Index. January to March 1958 Rs. 103-50 per month.	28 miles from Dalmiapuram Cement Factory.	15-12-58.
30	"	South Madras Electric Supply Corporation Ltd., Tiruchirapalli.	Rs. 35. D.A. 17½% of basic pay subject to a minimum of Rs. 20.	Rs. 50-3-80-4-112. D.A. 17½% of basic pay subject to a minimum of Rs. 30 and a maximum of Rs. 200.	28 miles from Dalmiapuram Cement Factory.	16-12-58.
31	"	Pudukotah Textiles Ltd., Namasanamudram.	Rs. 30-06 p.m. basic. D.A. at 0-2-6 per point over 100 points of Madras C.L. Index.	Rs. 40 + fixed D.A. Rs. 40.	65 miles from Dalmiapuram Cement Factory.	18-5-59.
32	"	Neyveli Lignite Corporation (Pte) Ltd., Neyveli, South Arcot Dist.	Rs. 2-12, 2-25, 2-37, 2-50, 2-62 inclusive of D.A. in sections other than the Civil Section. 1-12 per day inclusive of D.A. for workers employed in Civil Branch.	Rs. 60-3-85-E.B.-4-125-5-130 + D.A. at Central Govt. scale ; and certain clerks also get Construction Allow- ance. Clerks in Labour Establishment Rs. 66-3-81 + D.A. according to Central Govt. scale.	61 miles from Dalmiapuram Cement Factory.	26-5-59.

33	Madras	Simpson & Co. Ltd., Tiruchirappalli Branch.	Rs. 22.75 - 1.62 - 29.25 - E.B. - 3.25-39 p.m.	Rs. 50.5-80.7 - 50.125 D.A. 3 as. per point over 100 points of Madras C.L. Index.	28 miles from Dalmiapuram Cement Factory.
34	Madhya Pradesh.	Ordnance Factory, Katni	Rs. 30-1-35. D.A. Rs. 45.	Rs. 60-3-81-4-125-5-130. D.A. on Rs. 51 to 100 Rs. 55. D.A. on Rs. 101 to 150. Rs. 60.	25 miles from Kymore Cement Factory.
35	"	• Dyers Stone Lime Co., Mehangaon & Katni.	Re. 1-0-0 per day for males (inclusive of D.A.). Re. 0-12-0 per day for females (inclusive of D.A.).	Rs. 60-3-81. D.A. Rs. 50 ; free quarters.	4 miles from Kymore Cement Factory.
36	"	• Jayajee Rao Cotton Mills, Birlanagar.	Rs. 26 per month. D.A. Rs. 57.50.	Matric Rs. 65 + 58 (D.A.) Non-Matric Rs. 55 + 58(D.A.)	12 miles from Banmor Cement Works.
37	Mysore	• Tungabhadra Sugar Works (Pte.) Ltd., Shimoga.	Rs. 1.50 (inclusive D.A.) per day.	Rs. 60-5-90. D.A. Rs. 20 per month.	8 miles from Bhadravati Cement Factory.
38	"	Mysore Paper Mills Ltd., Bhadravati.	Re. 1.00, 0-06, 1.75. Women and Adolescents 0-62, 0-06, 1.50 D.A. Rs. 25.	Rs. 40-5-50-5-125. D.A. upto Rs. 80, Rs. 25. Rs. 80 to 100, Rs. 30. Rs. 100 to 150, Rs. 35.	1 mile from Bhadravati Cement Factory.
39	"	• Yelamali Weaving Mills, Gadag.	Weaving Section Male Rs. 1.12 p.d. Not available. Weaving Section female Re. 0.94 p.d. Ginning & Press Male Rs. 1.50 to 2.00 p.d. Ginning & Press female Re. 0.87 p.d.	..	60 miles from Bagalkot Cement Factory.
40	"	• Gadag Mahalaxmi Press & Ginning Co. Ltd., Gadag.	Males Rs. 1.50 per day. Females Re. 0.94 p.d.	..	13-12-58.
41	Punjab	Punjab Cloth Mills Ltd., Bhiwani.	Rs. 26 p.m. + D.A. (linked) Jan. Rs. 42-88.	Scale for Matriculates Rs. 50-5-90-6-120-E.B.-8-160-E.B.-10-210. D.A. Rs. 44.88 nP. (linked).	18 miles from Dalmia Dadri Cement Factory.
42	"	• Mewar Textiles Ltd., Bhawani.	Rs. 26 per month. D.A. Rs. 30.	Not available.	Do.

1	2	3	4	5	6	7
43	Orissa	Pamposh Dolomite Quarry of Tata Iron & Steel Co. Ltd.	Mazdoors Re. 0-10-6, 0-1-0, 0-14-6 p.d. Rejas 0-9-0, 0-1-0, 0-13-0. Minimum wage including wage, dearness allowance, food rebate, attendance bonus & service bonus Rs. 1-58 p.d.	Rs. 60-5-80-10-180, D.A. between Rs. 51 & 75, 30% Minimum Rs. 20. Between Rs. 76 & 100, 25% Minimum Rs. 22-50. Between Rs. 101 & 300, 17½% Minimum Rs. 25. Food Subsidy Rs. 8.	20 miles from Rajgangpur Cement Factory.	4-12-58.
44	"	Bisra Stone Lime Co. Ltd., Birmtrapur.	Re. 0-80 p.d. D.A. 0-80 for casual unskilled labour. Females 0-72 + D.A. 0-72 p.d.	Rs. 40-3-70. D.A. 52½% of basic.	49 miles from Rajgangpur Cement Factory.	27-11-58.
45	Rajasthan	Jaipur Metals & Electricals Ltd.	Re. 0-14-0, 0-1-0, 1-8-0. D.A. Re. 1 p.d. ; Re. 1-1-0 for those drawing above Rs. 1-4-0 basic.	Rs. 50-5-80-E.B-7-115. D.A. 50% of salary subject to minimum of Rs. 20. Persons drawing salary over Rs. 100, 30% of salary subject to minimum of Rs. 30.	82 miles from Sawaimadhopur Cement Factory.	26-2-59.
46	"	National Engineering Industries Ltd., Jaipur.	Rs. 1-8-0 to 2-0-0 p.d. plus Production Bonus approximately 25% (The above is inclusive of D.A.).	..	90 miles from Sawaimadhopur Cement Factory.	16-12-58.
47	"	Jaipur Spgs. & Wvg. Mills Ltd.	Rs. 26 per month. D.A. Rs. 28 per month.	Rs. 75 inclusive of D.A.	i30 miles from Lakeri Cement Works.	6-2-59.

APPENDIX VI

Incidence of our Recommendations in respect of the Associated Cement Cos., Ltd.

By way of illustration, the annual financial burden resulting from the full implementation of our recommendations, on the Associated Cement Companies Ltd., (hereinafter referred to as the "A.C.C."), has been computed in Schedules I to VIII to this Appendix. This incidence or burden represents the extra amounts which would become payable by the A.C.C. in basic wages, dearness allowance, house rent allowance, the employer's contribution to Provident Fund, contributions to the State Insurance Scheme and the incidence of gratuity (according to the existing rules of the A.C.C.). The Schedules indicate—

- (I) the annual burden for operatives in the 'A' Grade.
- (II) " " " " 'B' Grade.
- (III) " " " " 'C' Grade.
- (IV) " " " " 'D' Grade.
- (V) " " " " 'E' Grade.
- (VI) " " " " Clerical and lower technical and supervisory staff drawing basic salaries upto Rs. 250/- per month.
- (VII) " " " " Contract labour.
- (VIII) Summary of Schedules I to VII

Assumptions made in our computations

The computations in Schedules I to VII have been made on the following assumptions:

- (1) The existing grades for operatives in the A.C.C. are new grades which have been generally in existence for about two years. It has therefore been assumed that all operatives have received two annual increments, and the average existing wage bill has been calculated, not on the minimum of each grade but on a scale of wages taking two increments into account. This scale is hereafter referred to as the present scale.
- (2) The annual incidence has been ascertained by computing the difference between the minimum of the new scale recommended by us and the 'present scales' of the A.C.C.
- (3) Contribution to the Government Provident Fund has been taken at the existing rate of $6\frac{1}{4}$ per cent. of the basic wages plus dearness allowance. (The burden would increase if the rate of contribution is increased from the existing level of $6\frac{1}{4}$ per cent.)
- (4) The State Insurance Scheme has been made applicable to the Kistna and Lakhari factories of the A.C.C. and the incidence thereof has been taken at $1\frac{3}{4}$ per cent. of the wage bill including dearness allowance. At the other factories of the A.C.C. the incidence of the administrative charges of $\frac{3}{4}$ per cent. levied by Government has been taken into account. (As and when the State Insurance Scheme is made applicable to the other factories of the A.C.C., the burden which has been taken at $\frac{3}{4}$ per cent. would stand increased to $1\frac{3}{4}$ per cent.)
- (5) On the basis of the total wage for the unskilled labour at the various A.C.C. factories in July 1959, the increase in wages recommended is expected to be 'phased' at the Banmor, Bhupendra, Chaibasa, Kymore, Shahabad and Sindri factories where unskilled labour (and contract labour) would accordingly receive Rs. 10 per month less for a period of one year, than the full amount recommended.
- (6) The expected phasing at the six factories mentioned above has also been applied in our computations to the operatives in the other grades A, B, C and D, by limiting the payment to 50 per cent. of the increase in emoluments in the first year.
- (7) The minimum increase in the emoluments of operatives has been taken as at least Rs. 5 per month and which would stand reduced to Rs. 2.50 per month for the first year in the case of the operatives at the factories which are expected to be phased mentioned in (5) above. At these factories also the minimum of Rs. 5 per month would apply in full after the first year.
- (8) The incidence of the increased burden in respect of contract labour has been computed on the basis that contract labour will receive the same basic wages, dearness allowance, etc., as an unskilled worker at each factory.

(9) The increase in the basic salaries of clerical and lower technical and supervisory staff has been taken at the rate of Rs. 8 per month with the consequential burden of dearness allowance, employer's contribution to the provident fund and the State Insurance Scheme in the first year. The increase would be allowable at only Rs. 4 per month in the first year at the factories which are expected to be phased mentioned in (5) above, and at Rs. 8 per month thereafter.

(10) Operatives and staff at the Sevalia, Dwarka and Porbandar factories would be allowed higher dearness allowance of Rs. 7 per month.

(11) In the computations, the incidence for the Mancherial factory of the A.C.C. has been taken at 75 per cent. of the increased emoluments in the first year, as this factory has been newly constructed. The full increase would apply in the second year. Where the 'present scale' of the operatives and staff at the Mancherial factory are already higher than 75 per cent. of the recommended scales, such operatives would continue to receive their existing emoluments for the first year and would receive emoluments at the scales recommended by us after the first year.

(12) The incidence of gratuity (excluding contract labour) has been computed at 90 per cent. of three-fourths of the increase in the basic wages/salaries for a month because—

- it is assumed that only 90 per cent. of the total employees will be paid gratuity, the rest leaving service before putting in the qualifying period of 15 years; and
- the rate of gratuity in the A.C.C. for lower paid employees is three-fourth month's basic wages/salaries for each year of service.

(13) Schedule VIII summarises the total extra burden of the wage bill (including the incidence of provident fund, State Insurance Scheme and gratuity) to the A.C.C. The total annual burden in the first year after implementation of our recommendations, would work out to Rs. 33.11 lakhs or Rs. 1.03 per ton. (Annual production taken at the figure of 32.11 lakhs tons for the last accounting year of the A.C.C. August 1958 to July 1959.) The full annual burden one year after the implementation of our recommendations would be Rs. 46.19 lakhs or Rs. 1.36 per ton on an assumed production of 34.00 lakh tons.



SCHEDULE I

Statement showing Annual burden of increase (excluding Gratuity) to the Associated cement companies, limited in respect of operatives in the "A" Grade

Name of Factory	Wage Bill at the 'present scale'	Wage Bill at the recommended scale.	Burden for the first year	Burden for subsequent years
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
1. Banmor . . .	28,928·76	29,827·56	449·40	898·80
2. Bhupendra . . .	1,18,007·28	1,21,474·08	1,733·40	3,466·80
3. Chaibasa . . .	50,089·86	51,566·46	738·30	1,476·60
4. Dwarka . . .	84,165·12	86,668·92	2,503·80	2,503·80
5. Khalari . . .	45,325·98	46,674·18	1,348·20	1,348·20
6. Kistna . . .	26,449·20	27,226·80	777·60	777·60
7. Lakeri . . .	2,18,323·62	2,24,868·42	6,544·80	6,544·80
8. Madukkarai . . .	31,259·76	32,158·56	898·80	898·80
9. Kymore . . .	92,156·30	95,045·30	1,444·50	2,889·00
10. Porbandar . . .	45,627·12	47,039·52	1,412·40	1,412·40
11. Sevalia . . .	1,06,122·24	1,09,203·84	3,081·60	3,081·60
12. Shahabad . . .	47,696·94	49,173·54	738·30	1,476·60
13. Sindri . . .	35,537·20	36,628·60	545·70	1,091·40
14. Mancherial . . .	53,981·28	55,587·48	..	1,669·20
TOTAL . . .	9,83,607·66	10,13,143·26	22,216·80	29,535·60

SCHEDULE II

Statement showing annual burden of increase (excluding Gratuity) to the Associated cement companies, limited in respect of operatives in the "B" Grade.

Name of Factory	Wage Bill at the 'present scale'	Wage Bill at the recom- mended scale	Burden for the first year	Burden for sub- sequent years
	1	2	3	4
		Rs.	Rs.	Rs.
1. Banmor . . .	69,284.70	75,130.20	2,922.75	5,845.50
2. Bhupendra . . .	1,60,919.28	1,70,295.12	4,687.92	9,375.84
3. Chaibasa . . .	87,504.48	93,495.36	2,995.44	5,990.88
4. Dwarka . . .	1,01,390.40	1,05,566.40	4,176.00	4,176.00
5. Khalari . . .	94,638.60	98,087.28	3,448.68	3,448.68
6. Kistna . . .	76,852.80	79,525.80	2,673.00	2,673.00
7. Lakhari . . .	4,23,789.60	4,39,264.80	15,475.20	15,475.20
8. Madukkarai . . .	90,289.28	95,259.84	4,970.56	4,970.56
9. Kymore . . .	2,10,237.48	2,30,399.28	10,080.90	20,161.80
10. Porbandar . . .	77,077.44	84,453.12	7,375.68	7,375.68
11. Sevalia . . .	1,22,233.60	1,26,033.60	3,800.00	3,800.00
12. Shahabad . . .	1,40,786.10	1,51,929.96	5,571.93	11,143.86
13. Sindri . . .	25,020.48	26,712.96	846.24	1,692.48
14. Mancherial . . .	77,355.00	83,478.00	..	6,123.00
TOTAL . . .	17,57,379.24	18,59,631.72	69,024.30	1,02,252.48

SCHEDULE III

Statement showing annual burden of increase (excluding Gratuity) to the Associated Cement Companies, Limited in respect of operatives in the "C" Grade

Name of Factory	Wage Bill at the 'present scale'	Wage Bill at the recommen- ded scale	Burden for the first year	Burden for sub- sequent years	
	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
1. Banmor . . .	1,13,280·48	1,33,452·60	10,086·06	20,172·12	
2. Bhupendra . . .	2,07,499·40	3,50,829·00	71,664·80	1,43,329·60	
3. Chaibasa . . .	1,59,577·92	1,84,357·20	12,389·64	24,779·28	
4. Dwarka . . .	1,98,466·56	2,13,989·28	15,522·72	15,522·72	
5. Khalari . . .	1,48,925·72	1,63,720·20	14,794·48	14,794·48	
6. Kistna . . .	2,30,795·40	2,39,067·60	8,272·20	8,272·20	
7. Lakeri . . .	3,38,790·60	3,74,706·00	35,915·40	35,915·40	
8. Madukkarai . . .	2,73,255·36	2,84,615·52	11,360·16	11,360·16	
9. Kymore . . .	4,14,590·40	4,95,288·00	40,348·80	80,697·60	
10. Porbandar . . .	95,647·50	1,09,926·00	14,278·50	14,278·50	
11. Sevalia . . .	2,72,535·30	2,83,710·00	11,174·70	11,174·70	
12. Shahabad . . .	3,20,851·44	3,75,593·40	27,370·98	54,741·96	
13. Sindri . . .	82,245·24	94,930·20	16,342·48	12,684·96	
14. Mancherial . . .	1,42,208·88	1,66,471·80	..	24,262·92	
TOTAL . . .	29,98,670·20	34,70,656·80	2,79,520·92	4,71,986·60	

SCHEDULE IV

Statement showing annual burden of increase (excluding Gratuity) to the Associated Cement Companies, Ltd., in respect of operatives in the "D" Grade

Name of Factory	Wage Bill at the 'present scale,	Wage Bill at the recom- mended scale	Burden for the first year	Burden for sub- sequent years	
	1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.
1. Banmor . . .	1,75,334.70	2,29,080.84	26,873.07	53,746.14	
2. Bhupendra . . .	4,32,872.40	5,44,225.20	55,676.40	1,11,352.80	
3. Chaibasa . . .	4,06,588.80	5,18,912.40	56,161.80	1,12,323.60	
4. Dwarka . . .	3,26,312.82	3,78,190.08	51,877.26	51,877.26	
5. Khalari . . .	2,70,504.00	3,22,738.20	52,234.20	52,234.20	
6. Kistna . . .	3,75,589.26	4,09,775.76	34,186.50	34,186.50	
7. Lakeri . . .	5,94,298.08	7,19,979.84	1,25,681.76	1,25,681.76	
8. Madukkarai . . .	4,71,274.00	4,93,599.60	22,325.60	22,325.60	
9. Kymore . . .	5,76,298.80	7,65,712.20	94,706.70	1,89,413.40	
10. Porbandar . . .	1,01,043.60	1,24,707.84	23,664.24	23,664.24	
11. Sevalia . . .	4,97,793.66	5,46,274.56	48,480.90	48,480.90	
12. Shahabad . . .	5,31,998.80	6,89,773.80	78,887.50	1,57,775.00	
13. Sindri . . .	1,04,954.16	1,35,432.48	15,239.16	30,478.32	
14. Mancherial . . .	2,40,130.44	3,11,347.44	..	71,217.00	
TOTAL . . .	51,04,993.52	61,89,750.24	6,85,995.09	10,84,756.72	

SCHEDULE V

Statement showing the annual burden of increase (excluding Gratuity) to the Associated Cement Companies, Limited, in respect of operatives in the 'E' Grade.

Name of Factory	Wage bill at the 'present scale'	Wage bill at the recommended scale	Burden for the first year	Burden for subsequent years
	Rs.	Rs.	Rs.	Rs.
1. Banmor . . .	4,31,131.68	6,25,263.60	1,25,052.72	1,94,131.92
2. Bhupendra . . .	6,10,243.80	8,44,919.40	1,41,328.80	2,34,675.60
3. Chaibasa . . .	4,00,658.40	5,64,829.20	1,01,768.40	1,64,170.80
4. Dwarka . . .	4,07,778.00	4,75,790.40	68,012.40	68,012.40
5. Khalari . . .	4,78,894.56	6,22,939.20	1,44,044.64	1,44,044.64
6. Kistna . . .	3,63,727.26	4,11,428.16	47,700.90	47,700.90
7. Lakhari . . .	8,97,148.32	11,90,914.56	2,93,766.24	2,93,766.24
8. Madukkarai . . .	4,95,985.92	5,27,638.80	31,652.88	31,652.88
9. Kymore . . .	8,84,942.94	13,09,799.40	2,80,149.66	4,24,856.46
10. Porbandar . . .	2,89,788.72	3,66,859.44	77,070.72	77,070.72
11. Sevalia . . .	6,49,609.68	7,22,450.16	72,840.48	72,840.48
12. Shahabad . . .	6,10,689.30	8,77,461.00	1,69,829.70	2,66,771.70
13. Sindri . . .	96,588.18	1,35,977.40	24,366.42	39,389.22
14. Mancherial . . .	1,69,101.90	2,42,899.80	13,079.22	73,797.90
TOTAL . . .	67,86,288.66	89,19,170.52	15,90,663.18	21,32,881.86

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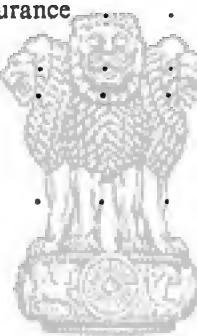
SCHEDULE VI

Statement showing the annual burden of increase (excluding Gratuity) to the Associated Cement Companies, Ltd., in respect of Clerical and Lower Technical and Supervisory Staff

	For Phased Factories in the first year	For other Factories
	Rs.	Rs.
I. For the First Year :		
Increase in Basic Salary	4.00	8.00
Increase in Dearness Allowance	0.40	0.80
	<u>4.40</u>	<u>8.80</u>
Increase in Contribution to Provident Fund and State Insurance	0.35	0.70
	<u>4.75</u>	<u>9.50</u>

Annual Burden on account of Salary, Dearness Allowance, Provident Fund and State Insurance—

For phased factories *714×Rs. 4.75×12	Rs. 40,698.00
For other factories *711×Rs. 9.50×12	Rs. 81,054.00



II. For Subsequent Years :

Increase in Basic Salary	8.00
Increase in Dearness Allowance	0.80
	<u>8.80</u>
Increase in Contribution to Provident Fund and State Insurance	0.70
	<u>9.50</u>

Annual Burden on account of Salary, Dearness Allowance, Provident Fund and State Insurance—

*1,425×Rs. 9.50×12	Rs. 1,62,452.00
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*Number of staff.

SCHEDULE VII

Statement showing the Annual Burden of Increase (excluding Gratuity) to the Associated Cement Cos., Ltd. in respect of Contract Labour

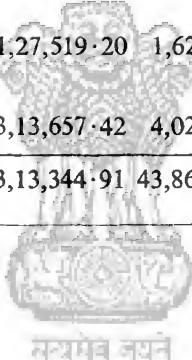
Name of Factory	Wage Bill at 'present scale'	Wage Bill at the Recommended Scale	Burden for the first year	Burden for subsequent years
	Rs.	Rs.	Rs.	Rs.
1. Banmor . . .	..	..	..	..
2. Bhupendra . . .	3,357.60	4,648.80	777.60	1,291.20
3. Chaibasa . . .	82,440.00	1,16,220.00	20,940.00	33,780.00
4. Dwarka . . .	1,55,599.50	1,81,551.60	25,952.10	25,952.10
5. Khalari . . .	93,813.30	1,22,031.00	28,217.70	28,217.70
6. Kistna . . .	40,414.14	45,714.24	5,300.10	5,300.10
7. Lakeri . . .	1,53,645.48	2,03,955.84	50,310.36	50,310.36
8. Madukkarai . . .	72,103.68	76,705.20	4,601.52	4,601.52
9. Kymore . . .	2,58,337.38	3,82,363.80	81,782.82	1,24,026.42
10. Porbandar . . .	..	..	..	..
11. Sevalia . . .	3,11,857.16	3,46,826.16	34,969.00	34,969.00
12. Shahabad . . .	1,00,296.16	1,44,112.80	27,892.56	43,816.64
13. Sindri . . .	1,12,273.44	1,58,059.20	28,323.36	45,785.76
14. Mancherial . . .	10,518.30	15,108.60	4,590.30	4,590.30
TOTAL . . .	13,94,656.14	17,97,297.24	3,13,657.42	4,02,641.10

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SCHEDULE VIII

Summary showing the Annual Burden of increase to the Associated Cement Companies, Limited, by implementation of the Recommendations in the Report

Burden for the first year			Burden for subsequent years		
Basic Wage/ Salary, Dearness Allowance, Provident Fund & State Insurance	Gratuity	Total incidence	Basic Wage/ Salary, Dearness Allowance, Provident Fund & State Insurance	Gratuity	Total incidence
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Operatives—					
A Grade	22,216.80	2,788.42	25,005.22	29,535.60	2,788.42 32,324.02
B Grade	69,024.30	7,968.12	76,992.42	1,02,252.48	7,968.12 1,10,220.60
C Grade	2,79,520.92	20,874.67	3,00,395.59	4,71,986.60	20,874.67 4,92,861.27
D Grade	6,85,995.09	68,632.43	7,54,627.52	10,84,756.72	68,632.43 11,53,389.15
E Grade	15,90,663.18	1,24,484.36	17,15,147.54	21,32,881.86	1,24,484.36 22,57,366.22
Monthly Paid Staff	1,21,752.00	5,767.20	1,27,519.20	1,62,450.00	7,695.00 1,70,145.00
Contract Labour	3,13,657.42	..	3,13,657.42	4,02,641.40	.. 4,02,641.40
TOTAL	30,82,829.71	2,30,515.20	33,13,344.91	43,86,504.66	2,32,443.00 46,18,947.66



APPENDIX VII

Dates of Public Sittings and the names of Persons who appeared before the Central Wage Board for the Cement Industry

Date of public sittings	Name of the Cement Company, Trade Union or Association, etc.	Name
1	2	3
2nd, 3rd, 6th and 7th April 1959.	The Indian National Cement Workers' Federation.	1. Shri C. L. Dudhia, Vice President.
<i>Assisted by :</i>		
2. Shri D. D. Khoda, Secretary Indian National Cement Workers' Federation. 3. Shri Kantilal B. Shah, General Secretary, Cement Kamdai Mandal, Porbandar. 4. Shri R. C. Mehta, Organizing Secretary, Gujarat I.N.T.U.C. Saurashtra. 5. Shri Nathalal Shah, Vice President, Sevalia Cement Workers' Union. 6. Shri Vijayshankar Trivedi, General Secretary of Sevalia Cement Workers' Union. 7. Shri Chimanlal Shah, President of Sevalia Cement Workers' Union. 8. Shri Laxmi Narayan Singh, President, Kalyanpur Lime & Cement Workers' Union, and Dalmianagar Mazdoor Seva Sangh. 9. Shri Madheshwar Pathak, (i) General Secretary, Kamayu Range Quarries Labour Union, and Kalyanpur Lime & Cement Workers' Union; and (ii) President, Baulia Quarries Rashtriya Mazdoor Seva Sangh, Baulia. 10. Shri Paramanandji, President, Cement Works Karmachari Sangh, Sawaimadhopur. 11. Shri Ramlakhan Dube, General Secretary, and Shri G.G. Banerjee, Assistant Secretary, Japla Mazdoor Seva Sangh, Japla. 12. Shri P. Amareshwara Rao, Secretary, Sitarampuram Mines Employees' National Union, Pidigurralla, District Guntur.		



13. Shri K. P. Sharma, General Secretary, and Shri D. D. Saini, Joint Secretary, Kymore Cement Mazdoor Congress.

7th and 8th April 1959 . The All India Cement Workers' Federation, Bombay. 1. Shri N. Satyanarayan Reddy, President.

Assisted by :

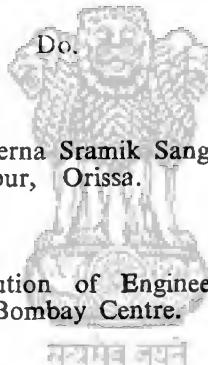
2. Shri K. Anantha Krishnan, Joint Secretary, Associated Cement Staff Union, Bombay; and Shri V. N. Prabhu, Member.

3. Shri A.S.R. Krishniah, Organiser and Working Committee Member, Kistna Cement Works Employees' Union.

4. Shri Srinivas Gudi, General Secretary, Shahabad Cement Factory Workers' Union, Shahabad.

5. Shri P. D. Gandhi, General Secretary, Cement Employees' Union, Porbandar.

13th April 1959



Shri K. T. Sule, President, Associated Cement Staff Union, Bombay.

Do. The Lanjiberna Sramik Sangh, Rajgangpur, Orissa. 1. Shri Umeshwari Prasad, President.

2. Shri S. D. Singh, Vice President.

25th May 1959 .

The Institution of Engineers (India), Bombay Centre.



1. Shri J. G. Bodhe, Member of the Committee.

2. Shri N. N. Purandare, Member of the Committee and Honorary Secretary.

Do.

The Indian Institute of Architects, Bombay.

Shri H. N. Dallas, Ex-President.

Do.

The Bombay Shareholders' Association, Bombay.

Shri Gordhandas Bhagwandas, Senior Member of the Managing Committee.

Do.

The Association of Indian Trade and Industry, Bombay.

Dr. K. R. Paymaster, Secretary and Director of Research.

25th, 26th and 27th May 1959.

The Associated Cement Companies Limited, Bombay.

Shri R. H. Ranga Rao, Senior Officer.

27th May 1959 . .

Shri Digvijay Cement Company Limited, Sikka.

1. Shri G. D. Somani, M. P., Director.

2. Shri V. N. Somani, Attorney/ Managing Agents.

3. Shri R. V. Maheshwari, Secretary.

27th and 28th May 1959 .

(1) Dalmia Cement (Bharat) Limited Dalmiapuram; and (2) Orissa Cement Limited, Rajgangpur.

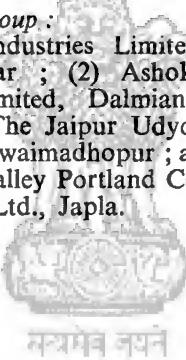
Shri S. C. Aggarwal, Secretary.

28th May 1959 . .

The Dalmia Dadri Cement Limited, Charkhi-Dadri.

1. Shri Vishnu Kumar, Secretary.

2. Shri G. L. Sardhana, Personnel and Welfare Officer.

28th May 1959	The India Cements Limited, Talaiyuthu.	1. Shri T. S. Director. 2. Shri S. Rudni Consultant. 3. Shri T.S. Subrama Superintende n . 4. Shri V. N. Ramchandrabour Welfare Officer.
Do.	Ramakrishna Cements, Macherla Shri P Krishna Rao, Personnel (K.C.P. Limited).	Shri P Krishna Rao, Personnel Manager.
Do.	The Travancore Cement Limited, Kottayam.	Shri M. M. M. Marar, Assistant Manager.
29th and 30th May 1959	The Associated Cement Companies Limited, Bombay.	Shri N. Dandekar, Managing Director.
30th May 1959	The Andhra Cement Company Limited, Vijaywada.	Shri R. D. Shah, Director.
30th May and 1st June 1959.	<i>Sahu Jain Group :</i> (1) Rohtas Industries Limited, Dalmianagar ; (2) Ashoka Cement Limited, Dalmianagar ; (3) The Jaipur Udyog Limited, Sawaimadhopur ; and (4) Sone Valley Portland Cement Co. Ltd., Japla.	 1. Shri V. Poddar, Works Manager of Rohtas Industries Limited, and Director, Sone Valley Portland Cement Co. Ltd. 2. Shri V. B. Shukla, Chief Labour Officer. 3. Shri S. C. Kumar, Controller of Personnel. 4. Shri R. N. Chaturvedi, Works Manager of Jaipur Udyog Limited. 5. Shri J. C. Bhandari, of Jaipur Udyog Limited.
2nd June 1959	The Kalyanpur Lime and Cement Works, Banjari.	1. Shri S. C. Roy, Assistant Manager and Chief Accountant. 2. Shri S. T. Ghaisas, Chief Construction Engineer and Technical Adviser.
2nd and 3rd June 1959	The Associated Cement Companies Limited, Bombay.	1. Shri S. V. Uttamsing, Chief Personnel Officer. 2. Shri D. S. Dighe, Officer, Personnel Department.
4th June 1959	(1) The Indian National Cement Workers' Federation.	1. Shri C. L. Dudhia, Vice President. 2. Shri Lakhnai Verma, President, The A.C.C. Lakheri Cement Kamgar Sangh, Lakheri. 3. Shri C. R. Shelat, Secretary. 4. Shri Munshilal, Member. 5. Shri D. D. Khoda, Vice President, Dwarka Cement Works Employees' Union.

(1) The Indian National Cement Workers' Federation. 6. Shri K. P. Sharma, General Secretary, Kymore Cement Mazdoor Congress.

7. Shri Madheshwar Pathak, (i) General Secretary, Kamayu Range Quarries Labour Union, and Kalyanpur Lime & Cement Workers' Union ; and (ii) President, Baulia Quarries Rashtriya Mazdoor Seva Sangh, Baulia.

8. Shri M. C. Sogan, Joint Secretary, Sikka Cement Employees' Union, Sikka.

9. Shri J. H. Valambia.

Do. (2) The All India Cement Workers' Federation. 1. Shri K. T. Sule, President, Associated Cement Staff Union.

2. ~~Shri Anantha Krishnan, Joint~~ Secretary and Treasurer of the Federation.

